

Financial Report and Directors' Report

For the year ended 30 June 2015



Lodged with the ASX under Listing Rule 4.5
SEEK Limited ABN 46 080 075 314

SEEK Limited
ABN 46 080 075 314
Year ended 30 June 2015

(Previous corresponding period: Year ended 30 June 2014)

Results for Announcement to the Market

		Percentage Change		Amount \$m
Total sales revenue from continuing operations	Up	20%	To	858.4
Total revenue from ordinary activities from continuing operations	Up	20%	To	872.5
Profit for the period from continuing operations after tax	Up	59%	To	315.2
Net profit for the period attributable to the owners of SEEK Limited	Up	44%	To	281.2

Dividends/distributions	Amount per security	Franked amount per security
2014 final dividend paid	16.0 cents	16.0 cents
2015 interim dividend paid	19.0 cents	19.0 cents
2015 final dividend (declared after balance date)	17.0 cents	17.0 cents

Record date for determining entitlements to the dividend

18 September 2015

Dividend payable

16 October 2015

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This report covers SEEK Limited as a consolidated entity consisting of SEEK Limited (the Company) and its controlled entities. Figures in this Financial Report are expressed in Australian dollars. The Financial Report was authorised for issue by the directors on 29 September 2015. The Company has the power to amend and reissue the Financial Report.

SEEK Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered principal place of business is:

Level 6
541 St Kilda Road
MELBOURNE VIC 3004

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the Directors' Report on pages 2 to 44, which is not part of this Financial Report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All press releases, financial reports and other information are available at our Investor Centre on our website at www.seek.com.au.

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group), consisting of SEEK Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of the Company during the financial year and up to the date of this report:

Neil G Chatfield	Chairman, Non-executive director
Andrew R Bassat	Managing Director and Chief Executive Officer (CEO)
Colin B Carter	Non-executive director
Denise I Bradley	Non-executive director
Graham B Goldsmith	Non-executive director
Julie A Fahey	Non-executive director (appointed 23 July 2014)

Principal activities

During the year the principal continuing activities of the Group consisted of:

- matching of hirers and jobseekers with career opportunities and related services on the internet;
- investing in early stage businesses and technologies which are adjacent to the core online employment marketplace; and
- distribution and provision of vocational training and higher education courses.

Dividends

Dividends paid to shareholders during the financial year were as follows:

	Payment date	Amount per share	Franked amount per share	Total dividend \$m
Financial Year 2014				
2013 final dividend	16 October 2013	12.0 cents	12.0 cents	\$40.7
2014 interim dividend	30 April 2014	14.0 cents	14.0 cents	\$47.7
Total dividends paid for the year ended 30 June 2014				\$88.4
Financial Year 2015				
2014 final dividend	17 October 2014	16.0 cents	16.0 cents	\$54.8
2015 interim dividend	21 April 2015	19.0 cents	19.0 cents	\$65.4
Total dividends paid for the year ended 30 June 2015				\$120.2

Dividends paid or declared by the Company after year end (to be paid out of retained profits at 30 June 2015):

2015 final dividend	16 October 2015	17.0 cents	17.0 cents	\$58.5
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The total dividend for the year is 36.0 cents (2014: 30.0 cents).

Review of operations

A summary of consolidated revenues and results is set out below:

	Notes	2015 \$m	2014 \$m
Sales revenue	3	858.4	713.3
Dividend income	3	1.2	-
Interest income	3	12.9	10.9
Total revenue from continuing operations	3	872.5	724.2
Segment EBITDA from continuing operations⁽¹⁾	2	348.9	303.9
Depreciation	2	(11.8)	(8.8)
Amortisation	2	(31.4)	(25.0)
Share of net profits of equity accounted investments	2	21.7	24.1
Dilution of investments in associates	2	-	(5.4)
Fair value gain on step acquisitions	2	100.3	-
Transaction costs from investing activities	2	(14.0)	(3.0)
Other investing activities	2	4.7	0.9
Amortisation of share-based payments and other long-term incentive schemes	5	(18.7)	(18.1)
Dividend income	3	1.2	-
Interest income	3	12.9	10.9
Interest expense	5	(29.9)	(27.7)
Profit from continuing operations before income tax		383.9	251.8
Income tax expense	7(a)	(68.7)	(53.4)
Profit from continuing operations after income tax		315.2	198.4
Operational results from discontinued operation	22	-	1.1
Gain on sale from discontinued operation	22	-	23.9
Profit from discontinued operation		-	25.0
Profit for the year		315.2	223.4
Non-controlling interests		(34.0)	(27.8)
Profit for the year attributable to owners of SEEK Limited		281.2	195.6

1. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses.

SEEK achieved another record result for the year ended 30 June 2015 ("FY2015") with strong growth from continuing operations in both sales revenue (up 20%) and EBITDA (up 15%) compared to the year ended 30 June 2014 ("FY2014") despite significant re-investment across the Group.

The Group's strong FY2015 sales revenue and EBITDA result was driven by organic growth (SEEK Employment, Zhaopin), and the consolidation of JobStreet for seven months of the financial year. With the exception of SEEK Learning, we saw strong underlying local currency results against a backdrop of relatively subdued economic conditions in most markets.

Profit attributable to the owners of SEEK Limited was \$281.2m (2014: \$195.6m), which was impacted by the following significant items:

- In November 2014, SEEK Asia completed the acquisition of the online employment businesses of JobStreet Corporation Berhad. As a result, FY2015 benefited from a \$100.3m accounting gain on the revaluation of its existing investment in JobStreet Corporation Berhad (JCB), offset by \$10.6m of costs associated with the transaction⁽²⁾;
- FY2015 was favourably impacted by a one-off foreign currency gain of \$4.7m relating to SEEK's acquisition of additional ownership interests in SEEK Asia and OCC in June 2015;
- FY2014 was also favourably impacted by a \$23.9m gain on the divestment of THINK, partially offset by \$8.0m one-off items relating to JobStreet and the write-off of borrowing cost on one of SEEK's existing syndicated debt facilities following a refinancing in March 2014 to support merger and acquisition related activities.

2. \$10.6m costs includes transaction costs incurred by SEEK Asia (post non-controlling interests) and SEEK's share of transaction costs incurred by JobStreet Corporation Berhad.

Directors' Report

Review of operations continued

When adjusted for the significant items above, profit attributable to the owners of SEEK Limited would have been \$186.8m in FY2015 (FY2014: \$179.7m), reflecting growth of 4%.

From an operational perspective, the key highlights of FY2015 include:

- SEEK Asia's acquisition of the online employment businesses of JobStreet Corporation Berhad on 20 November 2014, with pleasing progress made on the complex integration between Jobstreet and JobsDB;
- Zhaopin establishing itself as the clear market leading online employment marketplace in the People's Republic of China in terms of unique visitors and unique customers;
- Strong sales revenue result by SEEK Employment against a backdrop of soft macro conditions; and
- Achieving strong momentum in evolving the online employment business model and rolling out new products and services.

Further information on results by segment is provided in the following pages.

Domestic – Core Employment

The Core Employment segment includes SEEK Employment, SEEK New Zealand and SEEK Commercial.

	2015 \$m	2014 \$m	Growth	
			\$m	%
Sales revenue	273.2	240.3	32.9	14%
Segment EBITDA	154.2	145.7	8.5	6%
Segment EBITDA margin (%)	56%	61%		

The Australian economy continued to experience relatively subdued macroeconomic conditions with the unemployment rate averaging around 6.2% for the financial year, the highest level since SEEK's listing in 2005. Historically this economic environment would have presented a significant challenge in growing job ad volumes and sales revenue. However, SEEK believe that the strength of the business model, market leadership and benefits of product technology re-investment contributed to delivering sales revenue and EBITDA growth of 14% and 6% respectively in FY2015. The sales revenue growth of 14% was attributable to a yield benefit of 7% (mix shift and price increases) and a 7% growth in job ad volumes.

Core Employment's EBITDA growth was less than sales revenue growth as the business re-invested in rolling out new products and technology to create efficiencies and deliver outcomes to jobseekers and hirers.

SEEK is confident, in future periods, the re-investment will generate a strong return on investment and will also strengthen the business model.

Key highlights:

The continuation of strong progress in operating metrics, including:

- Over 100,000 customers now using SEEK's new cloud based talent management tool (Advertiser Centre) which has significantly improved hiring efficiency;
- Growth in Core Employment's portfolio of deep and rich candidate profiles from 4.2m in July 2014 to 6.1m in July 2015, an increase of 45%;
- Significant advancements in data and search analytics;
 - This progress has driven better search and matching functionality connecting even more highly relevant candidates with job opportunities;
 - Over 2.3m jobseekers now receive weekly "round up" emails, containing highly relevant job ads, market data & salary insights tailored to their jobseeker profile, and job search and application history;
 - SEEK's new Talent Search product has created new ways to access relevant talent, facilitating over 1 million additional connections between jobseekers and hirers in the last 12 months; and
- Enhanced mobile functionality has resulted in over 60% of traffic and 30% of applications now coming from mobile devices, up from 30% and 9% respectively in June 2012.

This investment is strengthening SEEK's value proposition, with clear market leadership in placements (32% of Australian placements facilitated by SEEK) and unprompted brand awareness of 72%.

Domestic - Early Stage Employment

The Early Stage Employment segment comprises a portfolio of small investments that provide products and services which sit 'adjacent' to the core online employment marketplace of SEEK Employment, including Jora (formerly known as JobSeeker) and share of profits/(losses) from other investments.

	2015 \$m	2014 \$m	Growth	
			\$m	%
Sales revenue	2.7	0.9	1.8	200%
Segment EBITDA	(0.6)	(1.1)	0.5	45%
Total share of results of equity accounted investments	(0.3)	(0.2)	(0.1)	(13%)

During FY2015 the focus of these businesses was to evolve and grow their offerings to help jobseekers achieve career outcomes or assist hirers with talent acquisition and growing market share.

Domestic - SEEK Learning

The SEEK Learning segment represents the SEEK Learning business only.

	2015 \$m	2014 \$m	Growth	
			\$m	%
Sales revenue	81.2	87.7	(6.5)	(7%)
Segment EBITDA	32.5	46.7	(14.2)	(30%)
Segment EBITDA margin (%)	40%	53%		

During FY2015, SEEK Learning continued to expand its product and service offerings with 40 new course offerings and grew the linkages with the Core Employment business. However, FY2015 financial results and student enrolments were unfavourably impacted by the following events:

- IT related enrolment issues with one of SEEK Learning's more significant education partners (TAFE New South Wales) which resulted in lower than anticipated student enrolments;
- Increased competition for students from existing and new entrants to the market, which drove up student acquisition costs; and
- The FY2014 result included \$8.0m of performance related sales revenue from Laureate Education Inc. whereas the FY2015 result only included \$4.0m (as anticipated).

As a result of the factors above, FY2015 sales revenue and EBITDA declined by 7% and 30% respectively compared to FY2014.

In regards to the outlook for SEEK Learning, specific Vocational Education and Training ("VET") reforms have been announced and will be implemented by 1 January 2016. These specific reforms will directly impact some of SEEK Learning's education partners. The net impact of these reforms will be negative to SEEK Learning's short-term financial results. However, the broader VET reforms will assist in protecting student interests and improving the sustainability of the industry. SEEK is confident that in the medium to long-term, SEEK Learning will continue to prosper.

SEEK continues to assess the implications of these reforms on SEEK Learning and is working hard with education partners to ensure they are implemented efficiently. SEEK Learning is also implementing a number of operational initiatives to drive improved operational performance into FY2016.

Directors' Report

Review of operations continued

Domestic - Education Other

The Education Other segment comprises other costs associated with driving SEEK's international education expansion, as well as SEEK's share of profits/(losses) from IDP and Swinburne Online. Swinburne Online is highly synergistic to SEEK's online employment marketplace along with SEEK Learning.

	2015 \$m	2014 \$m	Growth	
			\$m	%
Sales revenue	-	-	n/a	n/a
Segment EBITDA	(1.7)	(0.7)	(1.0)	(143%)
Share of results of equity accounted investments				
IDP	15.7	14.0	1.7	12%
Swinburne Online	10.0	6.4	3.6	56%
Total share of results of equity accounted investments	25.7	20.4	5.3	26%

Key highlights:

- **Swinburne Online:** Delivered another set of solid results with sales revenue and EBITDA growth of 47% and 48% respectively on FY2014. Swinburne Online continues to achieve strong growth in its student body, with close to 7,900 students enrolled in the teaching period spanning March to June 2015 (growth of 38% on the prior year). Strong cash flows and balance sheet allowed Swinburne Online to pay dividends of \$13.2m in FY2015 (2014: \$2.2m), SEEK's share being \$6.6m (2014: \$1.1m). SEEK's share of NPAT was \$10.0m in FY2015, up from \$6.4m in FY2014.
- **IDP:** Achieved a record result, with revenue and EBITDA growth of 21% and 13% respectively on FY2014. IDP's financial performance and balance sheet allowed IDP to pay total dividends of A\$39.0m (2014: A\$33.0m), SEEK's share being A\$19.5m (2014: A\$16.5m). Both Student Placements and English language testing (IELTS) sales revenue saw robust growth at 21% compared to FY2014. Student Placements revenue growth was driven by increased student placement volumes (up 12% on FY2014), with multi-destination placements growing 69% on FY2014 and now representing 16% of total student placements. IELTS growth of 21% was a result of strong test candidate volumes (up 17% on FY2014). SEEK's share of IDP NPAT was A\$15.7m up 12% on FY2014.

SEEK International

SEEK International owns interests in leading online employment marketplaces that are exposed to favourable structural and macro trends.

SEEK's International division includes results from operations of JobsDB and JobStreet (collectively "SEEK Asia"), Zhaopin, Brasil Online and OCC, and equity interests in One Africa Media ("OAM"), Babajob and other smaller associates. It also includes equity accounted profits from JobStreet Corporation Berhad ("JCB") for only five months in FY2015 (FY2014: 12 months). These results are offset by other operating costs associated with managing SEEK's international investments.

SEEK International's financial contribution is a large and growing part of the SEEK Group, comprising 58% of SEEK Group sales revenue from continuing operations and 47% of EBITDA in FY2015. The progress and the overall performance of SEEK International is strong. The strategic focus remains:

- Re-investing for the long-term across the SEEK International division to build large online employment marketplaces; and
- Investing aggressively in early stage businesses (e.g. OAM and Babajob) to cement market positions and capture large growth opportunities in fast growing markets.

FY2015 has seen an exciting year for SEEK's International division with the following key business accomplishments:

- Integration of JobStreet and JobsDB businesses leading to a consolidated Seek Asia business;
- Zhaopin maintained leadership in jobseekers traffic and for the first time achieved leadership in unique customers (hirers);
- Brasil Online and OCC both continued to make pleasing strategic progress and record solid financial results; and
- The acquisition of new minority investments (such as Babajob) and increasing stakes in existing investments (OAM) which provide exposure to new technologies and/or large fast growing early stage markets.

SEEK International achieved sales revenue growth of 30% and EBITDA growth of 45% on FY2014 driven primarily by organic growth in Zhaopin and the consolidation of JobStreet for seven months of the financial year.

	2015 \$m	2014 \$m	Growth	
			\$m	%
Sales revenue	501.3	384.4	116.9	30%
SEEK Asia	104.7	59.4	45.3	76%
Zhaopin	252.8	183.9	68.9	37%
Brasil Online	119.3	118.8	0.5	0%
OCC	24.5	22.3	2.2	10%
Segment EBITDA	164.5	113.3	51.2	45%
SEEK Asia	49.1	21.6	27.5	127%
Zhaopin	67.0	52.4	14.6	28%
Brasil Online	43.7	39.3	4.4	11%
OCC	7.8	9.8	(2.0)	(20%)
Other operating costs	(3.1)	(9.8)	6.7	68%
Segment EBITDA (%)	33%	29%		
SEEK Asia	47%	36%		
Zhaopin	27%	28%		
Brasil Online	37%	33%		
OCC	32%	44%		

Strong underlying results were achieved across the international portfolio reflecting strong market position of the businesses. The results of each business are discussed below.

Key highlights:

- **SEEK Asia:** Sales revenue and EBITDA were favourably impacted by the consolidation of JobStreet from 20 November 2014. Strong underlying performance was delivered in Hong Kong, Philippines, Thailand and Malaysia mainly driven by growth in volumes. Integration of the JobStreet business is progressing well with high engagement and overall employee satisfaction, and operational re-alignment (phased wind-down of JobsDB Malaysia, JobsDB Philippines and non-core offline activities) helping to deliver a more focussed business.
- **Zhaopin:** The continued focus on growing market share across jobseekers and employers has paid off. Based on results in Q3 FY2015, Zhaopin took the lead in unique customers for the first time as well as cementing its market leadership on jobseeker metrics (which has been sustained for over 24 months). In local currency terms, sales revenue and EBITDA for FY2015 grew 25% and 17% respectively from the prior corresponding period driven by strong customer acquisition and growth in online sales revenue (up 28% on FY2014).
- **Brasil Online:** A 6.5% decline in the Brazilian Real against the Australian Dollar negatively impacted Brasil Online's contribution to the SEEK Group result. In local currency terms, Brasil Online achieved sales revenue and EBITDA growth of 7% and 18% respectively, despite very challenging local economic conditions. Strong cash flows and strong balance sheet allowed Brasil Online to pay SEEK total dividends of \$12.7m in FY2015 (2014: \$22m) as well as growing cash by 34%.
- **OCC:** Headline growth rates in sales revenue and EBITDA were impacted by one-off favourable revenue recognition benefit in FY2014. On an underlying local currency basis (after removing the one-off benefit from FY2014) OCC achieved sales revenue and EBITDA growth of 25% and 12%, delivering strong results across both the employment and its early stage education business.

Directors' Report

Review of operations continued

Share of results of International equity accounted investments

	2015 \$m	2014 \$m	Growth	
			\$m	%
Share of net profits/(losses) of equity accounted investments				
JCB ⁽¹⁾	(0.9)	4.5	(5.4)	(120%)
OAM	(2.8)	(0.7)	(2.1)	(335%)
Babajob	(0.3)	-	n/a	n/a
Other immaterial associates	0.3	0.1	0.2	330%
Total share of net profits/(losses) of equity accounted investments	(3.7)	3.9		
Dilution of investment in equity accounted investments				
JCB ⁽²⁾	-	(4.9)	4.9	n/a
OAM	-	(0.5)	0.5	n/a
Total dilution of investment in equity accounted investments	-	(5.4)		
Total share of results of equity accounted investments	(3.7)	(1.5)		

1. Equity accounted result for the period to 20 November 2014.

2. Prior period includes \$4.1m relating to the dilution impact of share issuances to nominee shareholders as part of the JobStreet transaction.

Losses from SEEK's share of International equity accounted investments were \$3.7m (FY2014: profit of \$3.9m), impacted by:

- The consolidation of JobStreet into the Group results from 20 November 2014, resulting in the recognition of equity accounted profits for only five months in FY2015 (FY2014: 12 months);
- Transaction costs associated with JCB's sale of its online employment businesses to SEEK Asia which led to SEEK's share of net losses from JCB of \$0.9m. Excluding these transaction costs, SEEK's share of net result would have been \$1.5m in FY2015; and
- The focus of the other early stage investments (OAM, Babajob and other immaterial associates) is on building leading market positions with an aim of monetising their market leadership over time, not on maximising short-term financials. As a result of this strategy, SEEK's share of losses (excluding JCB) was \$2.8m in FY2015 compared to \$0.6m in FY2014.

Analysis of other key items below EBITDA from continuing operations

	2015 \$m	2014 \$m	Growth	
			\$m	%
Depreciation	11.8	8.8	3.0	34%
Amortisation	31.4	25.0	6.4	26%
Fair value gain on step acquisitions	(100.3)	-	(100.3)	n/a
Transaction costs from investing activities	14.0	3.0	11.0	367%
Other investing activities	(4.7)	(0.9)	(3.8)	422%
Amortisation of share-based payments and other long-term incentive schemes	18.7	18.1	0.6	3%
Dividend income ⁽¹⁾	(1.2)	-	(1.2)	n/a
Interest income	(12.9)	(10.9)	(2.0)	18%
Interest expense	29.9	27.7	2.2	8%

1. Dividend income relates to dividends received from the Group's investment in JCB which is classified as a non-current financial asset.

Key highlights:

- Depreciation and amortisation expenses have grown in FY2015 by 34% and 26% respectively compared to the prior corresponding period, reflecting the increased levels of re-investment in product development across the Group (including the Placement Strategy) and the consolidation of JobStreet from November 2014; and
- In FY2015 SEEK Asia completed the acquisition of the online employment businesses of JobStreet Corporation Berhad. As a result of this, FY2015 benefited from a \$100.3m gain on the revaluation of its existing investment in JCB, offset by \$14.0m of costs (pre-tax and non-controlling interests) associated with the transaction.

Financial position

SEEK is a member of the S&P/ASX 50 with a market capitalisation of around \$4.9 billion and 344.1 million shares on issue at 30 June 2015.

At 30 June 2015, SEEK had total assets of \$3,301.1m of which 73% related to long-life intangible assets (goodwill, brands and licences) arising from business combinations, and the remainder relating primarily to cash, equity accounted investments, trade and other receivables; and total liabilities of \$1,500.2m of which 66% related to borrowings, with the remainder relating mainly to unearned income, tax, and trade and other payables.

SEEK's total assets increased by 48% and total liabilities increased by 96% from 30 June 2014 to 30 June 2015, primarily as a result of:

- The acquisition of JobStreet by SEEKAsia Ltd, which resulted in the recognition of significant intangible assets, cash balances and other liabilities (including deferred income);
- Increased borrowings in SEEK Limited and SEEKAsia Ltd;
- Increased cash and cash equivalents balances in SEEK Limited and Zhaopin; and
- A weakening of the Australian Dollar, which has resulted in increased Australian Dollar conversion of foreign currency assets and liabilities from SEEK's overseas businesses.

SEEK's borrowings now comprise a combination of facilities across SEEK Limited, Zhaopin and SEEKAsia Ltd:

- SEEK Limited has an unsecured syndicated facility comprising two tranches of A\$465.0m and US\$273.0m respectively;
- Zhaopin has entrusted loan facilities with a limit of US\$50.0m, and had a RMB85.0m facility that was fully repaid during the year; and
- SEEKAsia Ltd established a new syndicated multi-currency amortising debt facility during the year, comprising two facilities of SG\$96.8m and HK\$387.8m respectively.

At 30 June 2015, \$991.0m of the total available facilities were drawn down, with \$35.2m available in undrawn capacity. SEEK's controlled entities had \$449.6m of cash and cash equivalents at 30 June 2015 (2014: \$323.0m)

Details relating to the extension of SEEK's unsecured syndicated facility are discussed on page 11 in the 'Matters subsequent to the end of the financial year' section.

At 30 June 2015, the Group's current assets exceed its current liabilities by \$42.8m.

Business strategies and prospects

Core Employment

Core Employment's market leadership makes it the primary beneficiary of any improvement from the current subdued labour market conditions in Australia and the structural migration of sales revenue from print to online.

Core Employment is currently investing heavily in its Placement Strategy. The business is refining and rolling out new products and services that will allow it to capture a greater share of employment placements which in turn will open up new revenue streams.

Early Stage Employment

SEEK's Early Stage Employment portfolio holds investments in early stage businesses and technologies which are adjacent (complementary) to the core online employment marketplace.

These early stage businesses are investing to build their business fundamentals.

SEEK Learning

The nexus between education and employment is strong. In addition to adding new courses and partners, SEEK will continue to focus on growing the synergies between SEEK Learning and the Core Employment marketplace.

In the near term SEEK Learning's operating and financial performance will be adversely impacted by changes to Vocational Education and Training ("VET") FEE-HELP reforms. SEEK Learning is working with education partners to assess the impact of VET FEE-HELP reform and action appropriate operational changes to minimise the impacts.

SEEK Learning is also executing initiatives across sales & marketing, product and technology to drive improved operating performance.

Education Other

Significant market opportunities exist for SEEK's education portfolio across working adults in Australia, international students and the domestic for-profit sector.

Directors' Report

Business strategies and prospects continued

SEEK will continue to focus on rolling out or acquiring education business models like SEEK Learning into its international businesses.

Swinburne Online is a successful joint venture between Swinburne University and SEEK. SEEK Learning will continue to support Swinburne Online in sales and marketing. Swinburne Online is also looking to extend its business model into vocational education and higher education in international markets.

SEEK has a long-standing relationship with IDP and will continue to work closely with their management team and Board to build the business. Subject to market conditions, an Initial Public Offering is likely in late calendar year 2015.

SEEK International

SEEK International provides the Group with exposure to rapidly expanding growth markets in South East Asia, India, China, Latin America and Africa.

Much like Core Employment, these businesses are impacted to some extent by cyclicalities in their local economies and the favourable structural migration of print to online.

From time to time these businesses will aggressively reinvest to capture underpenetrated areas of the market, grow overall market share, and position themselves for long-term growth.

SEEK will continue to leverage its domestic experience and work with local management teams to create market leading online employment marketplaces, endeavouring to capture the large macro opportunities in each respective market by adopting something similar to the domestic Placement Strategy.

Significant changes in the state of affairs

Business combination - Online employment businesses of JobStreet Corporation Berhad

On 20 November 2014, the Group acquired 100% of the online employment businesses of JobStreet Corporation Berhad for MYR1,933.8m (A\$665.4m at the exchange rate on the date of the transaction).

The acquired business ("JobStreet") operates online employment markets in Malaysia, Singapore, Indonesia, the Philippines and Vietnam. This acquisition is a continuation of SEEK's expansion in the strategic and high growth Asian Region.

The transaction was funded by SEEK (comprising cash and SEEK's existing equity in JCB), SEEK Asia co-investors and debt funding in SEEK Asia and SEEK Limited.

JobStreet is considered a subsidiary of SEEK and has been consolidated into the Group from 20 November 2014. Refer to note 21 in the Financial Statements for further information in relation to the transaction.

Increased stake in One Africa Media (OAM)

On 15 April 2015, SEEK entered into a share subscription agreement to make an additional US\$10.0m investment in OAM (in two tranches of US\$5.0m each). Tranche 1 of US\$5.0m (A\$6.4m at the exchange rate on the date of the transaction) was settled in April 2015 taking SEEK ownership of OAM to 27.5%. Tranche 2 of US\$5.0m is subject to certain conditions which management expects to be fulfilled in the first half of FY2016. On settlement of Tranche 2, SEEK ownership of OAM will increase to 30%.

Acquisition of a minority stake in Babajob.com (Babajob)

On 17 April 2015, SEEK acquired a fully diluted 38% equity interest in Babajob (46% undiluted) for US\$10.0m (A\$12.8m at the exchange rate on the date of the transaction). Babajob is India's first web and mobile start-up dedicated to bringing better job opportunities to aspiring workers across the country. India is a large addressable market with favourable structural trends such as the rise of internet penetration, urbanisation and a growing labour force.

Increased stake in SEEK Asia

On 2 June 2015, SEEK invested US\$47.7m (A\$61.4m at the exchange rate on the date of the transaction) in SEEK Asia and increased its ownership to 80.8%. The investment was funded by SEEK's existing cash and debt facilities.

Increased stake in OCC Mundial

On 2 June 2015, SEEK invested US\$77.0m (A\$99.0m at the exchange rate on the date of the transaction) in OCC and increased its ownership to 98.2%. The investment was funded by SEEK's existing cash and debt facilities.

Appointment of new Group Chief Financial Officer

On 30 June 2015, SEEK announced the appointment of Geoff Roberts as SEEK Limited's Group Chief Financial Officer, replacing current Chief Financial Officer, John Armstrong, who SEEK announced on 5 February 2015 would end his full time involvement with SEEK at the end of the calendar year. John Armstrong will remain employed by SEEK until 1 July 2016 in the role of Special Advisor assisting in the transition to the new CFO. In addition, John will continue as a director on the Board of Zhaopin Ltd.

Geoff will join the Company in November 2015 and will join the SEEK Executive Team when he starts. Geoff joins SEEK with more than 20 years of Finance experience, including as Managing Partner of Deloitte Victoria, and Group CFO of AXA Asia Pacific for seven years.

SEEK announced structural changes

Jason Lenga ceased his role as Managing Director - SEEK International on 1 July 2015. Jason will remain employed until 1 July 2016 in the role of Special Advisor, providing strategic services on international business and corporate issues. In addition, Jason will continue as a director on the Board of Zhaopin Ltd.

In March 2015, SEEK announced a realignment of portfolios within the Executive leadership team, effective from 1 July 2015:

- Michael Ilczynski is taking the role of MD SEEK Employment. He will lead SEEK Employment in Australia and New Zealand, including responsibility for Sales, Marketing, IT, Product, Strategy, Development and Delivery.
- Peter Everingham is taking the role of MD SEEK International. He will continue to lead the growth of SEEK Asia and now also take on oversight of all of SEEK's employment businesses outside of Australia and New Zealand.
- Joe Powell is taking the role of MD SEEK Education and will have responsibility for the growing education portfolio including SEEK Learning, IDP, Swinburne Online and international expansion opportunities.

In addition, three new Executives were appointed, effective from March 2015 - Ronnie Fink (Corporate Development Director, driving SEEK's acquisition activity), Simon Lusted (Group Strategy Director, driving the employment strategy across all markets) and Isar Mazer (MD International Operations, driving operational cooperation with the international business as well retaining specific responsibility for the Latin American businesses).

As a consequence of the above changes, and considering the high degree of integration that has been achieved between the JobStreet and JobsDB businesses, leading to consolidated SEEK Asia reporting, segment reporting has been rearranged for FY2015.

Appointment of new Board member

SEEK appointed Julie Fahey to the Board as a non-executive director on 23 July 2014. Julie has over 30 years of experience in technology, including in major organisations such as Western Mining, Exxon, Roy Morgan, General Motors and SAP, covering consulting, software vendor and Chief Information Officer roles.

In her addition to her industry experience, Julie spent ten years at KPMG as a partner with the firm, during which time she held roles as National Lead Partner Telecommunications, Media and Technology, and National Managing Partner - Markets. She was also a member of the KPMG National Executive Committee.

Matters subsequent to the end of the financial year

Extension of syndicated debt facility

On 20 August 2015, the Group extended its syndicated debt facility by 18 months. Updated key features of the revolving, unsecured, syndicated senior debt facility are as follows:

- Tranche A: A\$183m, expiring August 2017
- Tranche B: A\$335m, expiring August 2018
- Tranche C: US\$273m, expiring August 2019

This extension was strongly supported by the existing members of the syndicate, being National Australia Bank, Westpac Banking Corporation, ANZ, Commonwealth Bank, HSBC, United Overseas Bank, Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ. Reflecting SEEK's business model strength and improving funding conditions there has been a significant improvement in term and conditions of the facility.

Directors' Report

Likely developments and expected results of operations

The following are key opportunities that may benefit SEEK's financial and operating result in future periods:

- Favourable structural and macro-economic factors leading to higher job ad volumes and cash flows across SEEK's online employment marketplaces;
- A material increase in SEEK's share of employment placements as a result of the successful execution of the Group's Placement Strategy; and
- The launch of other adjacent products and technologies which provide value-adding employment and education services to jobseekers, hirers and students.

The following are key risks that may impact SEEK's financial and operating result in future periods:

- A prolonged decline in job ad volumes, as a result of a downturn in the employment markets in which the Group operates;
- New disruptive business models entering the market and/or existing competitors increasing their market share;
- A prolonged interruption to SEEK's IT operations as a result of a natural disaster or other unforeseen event;
- Failure to protect data privacy, resulting in significant legal action, damage to SEEK's reputation and loss of significant customers;
- Changes in regulations which adversely impact: the provision of education; government supported student funding; or adversely impact the supply of students in the markets in which SEEK's education businesses operate; and
- Exposure to political and macro-economic risks operating in international markets.

Sustainability

SEEK is focused on continually enhancing its organisational culture, through its investment in the wellbeing and professional development of SEEK employees and promotion of a wide range of employee engagement and diversity initiatives.

SEEK's values support its culture of ethical corporate conduct. This is evident in SEEK's firm stance on Group governance issues such as anti-bribery. SEEK contributes to the wider community through its commitment to SEEK Volunteer, and by providing opportunities to employees to volunteer and/or donate to charitable organisations. The Company is also committed to reducing its carbon footprint, which has been achieved through the implementation of a number of environmental sustainability programs.

People and Community

This is SEEK

Since SEEK began 17 years ago the Company has grown to a workforce of more than 6,000 across 19 international markets. As a dynamic technology company with aggressive growth ambitions, employing and keeping the very best talent has only become more important.

In recognition that its people are critical to helping the Company continue to grow, the Executive reviewed the common traits of the best SEEK employees, past and present, to develop an evolved view of what it means to be a high performer at SEEK.

Building upon its existing 'values', in August 2014, the Company introduced *This is SEEK* which encapsulates how it creates a culture to harness talent.

This is SEEK aligns the Company's Purpose and Vision with a newly created set of Beliefs and Attributes which codify what it means to be a high performer at SEEK. This provides the right platform for the Company to recruit, reward and manage performance, with ongoing honest conversations about performance a key feature.

Throughout FY2015, every domestic employee participated in *This is SEEK* full-day workshops to explore the concepts and understand what *This is SEEK* means in each employee's every day role and relationships, resulting in all employees knowing exactly what is required to be a high performer.

This is SEEK includes the following things that support and help employees succeed at SEEK, and if everyone uses them every day, it will continue to build a better business.

Purpose

We help people live more fulfilling and productive working lives and help organisations succeed.

Vision

Being the best in the world in online employment by:

- Matching more people with job opportunities than any other organisation in each market in which we operate
- Being the most trusted partner for advice on, and access to, relevant career related education

Beliefs

At SEEK we believe in...

1. Having a positive impact on society
2. Focusing on business fundamentals and customer outcomes rather than short term financials
3. Always striving, challenging and remaining paranoid
4. Doing the right thing for SEEK, not what is popular or easy
5. Doing the thinking upfront
6. Persevering through obstacles to get it done
7. Creating a community where individuals are valued

Attributes

Our best people...

1. Are passionate about SEEK and our customers
2. Show great judgement and decision making ability
3. Know their stuff

As FY2015 progressed, the Company began to see the benefits of *This is SEEK* with increased productivity and positivity, and a clearer view of high performance across the workplace.

Directors' Report

People and Community continued

Employee Engagement

Understanding that winning the hearts and minds of its people leads to strong business performance, employee engagement continued to be a major focus for SEEK in FY2015, with the Company named amongst the best employers in Australia and New Zealand.

Aon Hewitt named SEEK a 2015 Aon Hewitt Best Employer, recognising the Company as a business with one of the highest levels of employee engagement and outstanding people practices.

SEEK's accreditation as a Best Employer for the seventh time underlines the Company's strong reputation as a high performing and great place to work, and reflects its ongoing efforts to review and define its culture, most recently by embedding *This is SEEK* across the business.

In addition, SEEK's six monthly internal employee engagement survey showed growth in employee engagement across the business as *This is SEEK* continued to be rolled out. Moving from a 75% engagement rate in November 2014 to 80% in June 2015, the survey clearly identified that the business continued to be a positive place to work where its people feel valued, well supported and inspired to perform at their best.

SEEK Inclusion Council

SEEK's drive to nurture a culture of inclusivity and diversity, and its approach to managing talent is a core focus of the business. SEEK believes all of its employees have the ability to feel valued and perform to their best within its working environment irrespective of their gender, race, sexuality, disability or any other characteristic.

In August 2014, SEEK's Inclusion Council was formed. Consisting of 20 employees across all levels and departments, their primary objective is to ensure SEEK remains an industry leader in providing an inclusive environment, where individuals feel valued for their talent and free to reach their full potential.

Key areas of focus for the Inclusion Council are Gender Equality, Pride and Mental Health. To date the Inclusion Council has developed two key strategies:

1. Supporting employees who have been on a leave of absence through a flexible and rewarding return to work program.
2. A new approach to providing support to employees' mental health outside of the traditional Employee Assistance Program model.

EMPOWER Sessions

SEEK continued to help identify and dismantle the barriers women face in growing their careers by continuing with EMPOWER sessions during FY2015.

Open to all employees, each EMPOWER session featured key note speakers who shared their insights and practical advice about a variety of topics including 'Closing the confidence gap', 'Self protection and how dangerous men think' and 'Embracing failure'.

Parent Coaching Program

Recognising the big adjustments employees go through as they become new parents, SEEK introduced a transition program designed to help them prioritise work, career, and family objectives, and to gain greater control over choices and management of their time. Inclusive of same-sex parents and their partners, this program is offered to both primary and secondary carers.

Mental Illness in the Workplace

As part of its commitment to supporting people with mental illness, SEEK entered into a partnership with Melbourne Business School and Social Firms of Australia to conduct a 12 month study focussing on mental illness in the workplace. From this study, SEEK is aiming to help shape the tools and training that employers can use to facilitate a greater aptitude for hiring and supporting people in their businesses.

Pride

SEEK is committed to ensuring its workplace is inclusive for all employees from the Lesbian, Gay, Bisexual, Trans, Intersex and Queer (LGBTIQ) community. SEEK continued to be a proud partner of Victoria's Midsumma festival, and Pride in Diversity, Australia's first and only not-for-profit workplace program designed specifically to assist Australian employers with the inclusion of LGBTIQ employees.

#queeranda

#queeranda was an initiative lead by SEEK during Midsumma Festival, Melbourne's largest event celebrating the LGBTIQ community. This live Twitter chat brought together some of Australia's largest organisations, including SEEK, NAB, Telstra, Australia Post and Hobsons Bay City Council to discuss diversity in the workplace. This activity generated 370 conversations, with an estimated reach of 3.3 million people.

Accessibility

SEEK is committed to being at the forefront of change, especially in website user accessibility by practicing what they preach and employing people with disability.

SEEK continued its partnership with the National Disability Recruitment Coordinator (NDRC), a division of Work Focus Australia to help increase employment rates of people living with disability.

In this capacity, SEEK worked with NDRC to achieve access to employment opportunities at SEEK through the Australian Disability employment network.

Collaboration with Indigenous Australians

In May 2015, SEEK hosted a group of 16 Indigenous students participating in the Cathy Freeman Foundation Horizons Program, where a range of SEEK employees facilitated sessions focussing on interview skills, resume writing, career progression and technology. SEEK also hosted a dinner for Horizons Program participants together with a range of Cathy Freeman Foundation supporters from the corporate community.

SEEK Hackathon

SEEK increased the frequency of its Hackathons by running two events this year to increase the opportunity for employees to come together and work collaboratively to develop ideas and create innovative products of potential value to SEEK. With each event running over two days, ideas that were 'hacked' were developed into prototypes that were showcased at the conclusion of each event for potential implementation as SEEK products in the future.

Both Hackathons in FY15 were highly successful, and provided employees with an opportunity to share their imagination, passion, and work on ideas and concepts outside of their day-to-day roles. As with previous Hackathons, ideas have progressed for further development.

Hackathons have proven to be a powerful way of building employee engagement, as they clearly demonstrate SEEK's commitment to innovation and empowering its employees.

SEEK Employee Retention

SEEK recognises the value talented and high performing employees who are aligned to SEEK's culture, values and *This is SEEK* bring to the company. In FY2015, SEEK retained 92% of high performing employees.

SEEK Workplace health and safety

SEEK continues its commitment to ensuring the health and safety of its employees, contractors and visitors at work by conducting its business in accordance with all workplace health and safety (WHS) laws, standards and codes of practice.

Through the promotion and support of a wide range of health and safety initiatives, SEEK maintains a strong safety record with low lost time injury frequency rates.

Safety performance	2015	2014
Lost time injury frequency rate* (per million hours worked)	3.3	3.9
Lost time injury incident rate (per 100 employees)	0.5	0.9
Number of Near Misses	0	0
Number of Work Cover Claims	1	0

* Where the following day could not be worked due to injury

SEEK's health and safety programs include complimentary flu vaccinations, healthy snacks, onsite yoga and group personal training, as well as ergonomic support including the introduction of stand up desks.

Community

SEEK's belief to have a positive impact on society sees the Company recognise its responsibility to make a positive contribution to the communities in which it operates.

This commitment is demonstrated in a number of ways including matching employees' pre-tax donations to charity (Workplace Giving), the SEEK Volunteer sites in Australia and New Zealand, and annual employee volunteering days.

SEEK's focus on balancing social, environmental and financial responsibilities is fully supported by the Board, Executive and employees with internal Insight surveys showing 90% of employees value the Company's community program. Including charitable donations and direct contributions to the operation of SEEK Volunteer, SEEK contributed over \$650,000 to community initiatives in FY2015.

Workplace Giving

SEEK partners with the Australian Charities Fund for its Workplace Giving Program, Small Change, and is part of the Fund's Employee Leadership Group.

Small Change has been operating for 12 months, with employee participation at 57%. The combination of employee donations and SEEK matching of employee contributions has resulted in over \$134,000 being donated to SEEK's ten partner charities since the program was launched in June 2014.

Directors' Report

People and Community continued

Stakeholder engagement

SEEK uses independent agencies to perform a wide range of stakeholder perception surveys with the purpose of assessing the impacts of our products, services, community involvement and other initiatives on key stakeholders. Surveys are also conducted with the purpose of providing enhanced products to better assist candidates in their careers, students in their learning needs, and to measure other usage, for example, by potential volunteers when using the SEEK Volunteer site.

Perception surveys undertaken in FY2015 included the following:

- Candidate surveys on career planning and development requirements;
- Student surveys to understanding more deeply the relationship between career-related education and our existing and potential customer base;
- Consumer surveys to assess the impact of, and engagement with, SEEK's brand;
- Client satisfaction surveys; and
- Surveys to research the role volunteering can play to support employment opportunities for candidates.

SEEK Volunteer - Celebrating 15 years!

This year SEEK celebrates 15 years of SEEK Volunteer in Australia, a milestone of which the Company is very proud.

SEEK Volunteer brings SEEK's Purpose to life delivering on its commitment to help people lead more fulfilling and productive working lives and help organisations succeed and SEEK's Belief of creating a positive impact on society. Along with SEEK's Employment and Learning businesses, SEEK Volunteer helps deliver a holistic set of enabling capabilities for organisations and talent in the ANZ region to achieve their true potential.

SEEK Volunteer is run in partnership with Volunteering Australia and creates an online meeting place in Australia and New Zealand for connecting volunteers to opportunities. In the past year alone SEEK has connected 145,983 potential volunteers in Australia and 4,688 in New Zealand to organisations that need their help.

In addition to the 15 year anniversary in Australia, in June 2015, SEEK officially launched SEEK Volunteer in New Zealand, coinciding with National Volunteer Week. The launch was a result of over two years of planning and development working closely with the volunteering sector in New Zealand, including Volunteering New Zealand, regional Volunteer Centres and not-for-profit organisations.

Building on the National Volunteer Week theme 'There is a place for you to volunteer', SEEK developed an authentic Kiwi campaign to officially launch the site and create awareness, including a newly commissioned film demonstrating the breadth and depth of volunteering roles available in New Zealand. The film is available for viewing at <https://www.youtube.com/watch?v=w08YinSWlpo> and has already been viewed 262,000 times online⁽¹⁾ and has reached 588,300 New Zealanders via TV coverage. The official launch celebration was held at Te Papa Museum in Wellington and was opened by the Hon Jo Goodhew, Minister for the Community & Voluntary Sector.

Bringing SEEK's Purpose to life

SEEK's commitment to help people lead more fulfilling and productive working lives is brought to life by SEEK Volunteer and the outcomes achieved for volunteers, the volunteer organisations and the end recipients.

In addition, SEEK's internal volunteering program enables each SEEK employee to volunteer with a not-for-profit organisation one day per year.

To gain a better perspective on the social impact of volunteer contributions to the community and the positive impact on the volunteer, SEEK conducted a survey amongst two sets of target respondents: those who, in the past 12 months, had found an opportunity through SEEK Volunteer, and SEEK employees who had volunteered through the Company volunteering program. In addition, SEEK surveyed a number of recipient volunteer organisations in the employment and education space about their experience partnering with SEEK Volunteer⁽²⁾.

The results of these surveys unequivocally demonstrate that SEEK Volunteer continues to deliver a positive impact on the community and that SEEK also actively enables its employees to give back to the community.

1. 177,000 views on Facebook and 85,000 views on YouTube.

2. Survey of 60 respondents who volunteered during FY15 either through SEEK Volunteer placement or the SEEK employee volunteering program, and four volunteer organisations which leveraged SEEK Volunteer for placements (The Cathy Freeman Foundation, The Big Issue, The Asylum Seeker Resource Centre and The Smith Family).

Survey respondents reported that:

- 95% found their volunteering experience personally satisfying;
- 86% experienced a strong sense of personal development through volunteering;
- 61% felt they developed professionally through volunteering; and
- 78% felt that the recipient organisations and the end-recipients gained a lot more than mere material gain through their volunteering effort.

Surveyed volunteer organisations also reported tangible value from their partnership with SEEK Volunteer, including:

- Access to talent (both quantity and quality) that they would normally not have access to, through SEEK Volunteer's widespread scale and reach;
- Potential recruitment cost savings; and
- Benefits from word-of-mouth marketing by volunteers (a theme reinforced by the volunteer survey where 100% of respondents said they would recommend volunteering to others, and 82% would happily volunteer again with the same organisation). This is a particular advantage for organisations that rely heavily on volunteer talent to operate on a day-to-day basis (e.g. The Smith Family and The Cathy Freeman Foundation).

Finally SEEK Volunteer provides significant value for SEEK itself through:

- Enhanced usage, with people aware of SEEK Volunteer being 76% more likely to say they will definitely use SEEK for employment and / or learning purposes^[1];
- Improved brand equity for SEEK and therefore retention and attraction of customers. According to a recent study, 75% of consumers are willing to recommend companies perceived as socially responsible (whereas only 31% would recommend companies that aren't)^[2]; and
- Employee motivation and retention, particularly amongst the Gen Y workforce which is increasingly looking for employers to play more meaningful roles in society, and to give them opportunities to do so as well. Another recent study shows that 67% of employees prefer to work for socially responsible companies^[3].

SEEK Volunteer continues to be an important strategic pillar to drive community engagement and sustainable social advantage, including for volunteer organisations, the talent pool of recruits and volunteers, and SEEK's own employee workforce in Australia and New Zealand.

VOLUNTEER CASE STUDIES

SEEK VOLUNTEER

Volunteer Organisation: The Smith Family

The Smith Family is a national children's charity that helps disadvantaged young Australians to succeed at school, so they can create better futures for themselves. Without the contribution provided by our large volunteer workforce (nearly 8,000 volunteers contributed 463,853 hours of service last year) we could not continue our work.

Without SEEK Volunteer we would really struggle to get the number of fantastic volunteers we do to support programs like Learning Clubs, iTrack mentoring, our student2student reading buddies and wide range of literacy and numeracy programs as well as our crucial 'back of house' volunteers in areas such as administration and research.

I consider SEEK Volunteer and Go Volunteer to be two of our key strategic volunteer recruitment avenues and without them, recruitment for many of our roles would be far more difficult. It sits alongside our own website as the bulkhead of our online recruitment. SEEK is extremely useful for The Smith Family in recruiting volunteers for our programs nationally, especially in metropolitan areas. We find it to be a useful source for volunteers with diverse or specialised skills as well as those who might not be as aware of The Smith Family's impact in their local community.

Patrick Murray, Volunteer Co-ordination Unit Manager, The Smith Family

1. Brand Engager SKR March 2014

2. The Reputation Institute

3. 2014 Nielsen Report

Directors' Report

SEEK Volunteer - Celebrating 15 years! continued

Volunteer: "A smile is the same in any language"

I have been involved in The Smith Family's Home Tutor scheme since June 2014. It was very easy and useful to find a volunteer role through SEEK Volunteer. This is not the first time I have used SEEK to find a volunteer role. I wanted to volunteer for many reasons, but most of all, I wanted to help a refugee family feel welcome and wanted in my city.

My volunteer experience has been, and still is, absolutely wonderful. My student tells me home tutoring is the closest thing to formal education she has ever undertaken, and as she learns to read and write in English, her family are also helping her to read and write in her mother tongue. It is amazing to help someone become literate for the first time in their life.

Volunteering means to me, putting words into action. By building friendships, communities eliminate negative attitudes such as racism and xenophobia. I am now studying to become a social worker, and I feel the experience of meeting my student and her family is helping me to understand social support and multiculturalism much better.

I hope my impact is to make my student feel important and welcomed, and less alone in her new country. I hope she can feel empowered and independent – not having to rely on her family members to translate for her in everyday life. If nothing else, I can at least make her laugh with phrases like "cook chicken in the kitchen!"

The impact volunteering has had on my own life has been really eye-opening. My student and her family are lovely people with a wealth of amazing stories about their life back in Afghanistan. They have helped me gain perspective and be thankful for the peaceful and safe country I live in. If you are considering volunteering for the Home Tutor Scheme, just go for it. A smile is the same in any language.

Jessica Murray, Home Tutor Scheme volunteer, The Smith Family

Recipient

Jessica has taught me so much. I am illiterate in my own language so it is very hard for me to learn English, but Jessica has been patient with me and has made the lessons simple enough for me to understand. She teaches me useful things for daily life such as learning body parts, calling the doctor to make appointments, calling my children's school to tell them if my child is sick and lots of other things.

I feel very comfortable with Jessica; she is a great tutor and has helped me a lot. My short term goal is to get my Learner's driving licence. Jessica has been teaching me things about the RTA and what I need to do to pass the test. Eventually, I would like to live independently and be able to do things on my own.

Jessica's student, Nooria, Home Tutor Scheme, The Smith Family

Governance

Ethical conduct

SEEK's culture embeds a requirement for honest and ethical conduct by its people.

SEEK is committed to conducting its businesses in a manner consistent with the laws of the countries in which it operates. Conduct associated with bribery and corruption is inconsistent with SEEK's values and culture. SEEK has developed a policy which prohibits its personnel from engaging in activity which constitutes bribery or corruption.

SEEK's Code of Conduct sets out the tenets of ethical and respectful conduct against which all employees are required to comply when dealing with each other, SEEK's suppliers, customers, shareholders and external stakeholders, and the broader community. These include acting honestly, in good faith and in the best interests of the Company, without conflict of interest or improperly taking advantage of position or confidential information, and at all times within the law.

SEEK's Whistleblower Policy protects employees from detrimental action where employees disclose, in good faith and with reasonable grounds, any unethical or improper conduct, financial impropriety or fraud, contravention of legal provisions or evidence of auditing non-disclosure within the organisation.

Corporate governance policies

SEEK is committed to strong and effective governance frameworks. SEEK's Corporate Governance Statement, in addition to its corporate governance policies are available in the Investor Centre - Corporate Governance section of the Company website, at <http://ir.seek.com.au/Investors/?page=Corporate-Governance>.

Environment

Environmental policy

SEEK is an online business which does not extract resources and is not involved in the manufacture or transport of products. The Group's operational model comprises office based employees. Accordingly, SEEK's environmental footprint is small and arises primarily from the energy used and materials consumed in its offices.

Nevertheless, SEEK has a commitment to minimising its environmental impact which is supported by the Board. SEEK's approach to environmental impact reduction includes, where practicable, a commitment to:

- Continually improving SEEK's sustainability practices, and to partnering with suppliers with high quality sustainability practices;
- Minimising the environmental impact of SEEK's activities, including minimising waste, consumption of materials, energy and water;
- The use of recycled materials; and
- Supporting awareness of environmental issues.

SEEK environmental programs

SEEK's extensive range of sustainability programs, under the internal umbrella SEEK Green, includes:

Sustainable cleaning, waste and recycling practices

- Commitment to use best practice sustainable cleaning systems and products at SEEK head office. For example, a commitment to environmentally low impact cleaning products (phosphate, petroleum and sulphate free);
- Waste paper bins, binding documents and toner cartridges are recycled; and
- Offices use crockery and steel cutlery to reduce disposable consumables.

Energy

- Investment in video conferencing facilities to connect SEEK sites and reduce the need to travel;
- Installation of lighting using low wattage, low energy, power efficient globes;
- Lighting sensors to ensure lights are turned off when not in use;
- Air conditioning zoned to reduce power or switch off outside office hours;
- Promotion of battery and mobile phone recycling to reduce landfill; and
- Improvement in the way data services are delivered through green IT and cloud computing.

Water

- Reduction of bottled water consumables by installing filtered water taps;
- Water efficient dishwashers service 80% of SEEK employees; and
- Water efficient bathrooms at head office save over 100,000 gallons of water per unit per annum.

SEEK is compliant with environmental legislative requirements

As a result of SEEK's low greenhouse gas emissions, energy consumption and waste management program, the Company is compliant with current environmental legislative requirements as set out in the *National Greenhouse and Energy Reporting (NGER)* and *Energy Efficiency Opportunities (EEO) Acts*, as well as waste legislation. Due to SEEK's current level of scope 1 greenhouse emissions, SEEK is not liable under the *Clean Energy Act 2011*.

Directors' Report

Information on directors



Neil G Chatfield
Chairman
(Independent non-executive director)
Age 61

Appointed June 2005

Skills, Experience and Qualifications

Neil Chatfield is an established Executive and non-executive director with extensive experience across all facets of company management, and with specific expertise in financial management, capital markets, mergers and acquisitions, and risk management.

In addition to SEEK, Neil also holds non-executive roles across a range of industries and is currently the Chairman of Costa Group Holdings, and a non-executive director of Transurban Group and Recall Holdings, all ASX listed companies.

Neil was, until 2009, an Executive Director and Chief Financial Officer of ASX listed Toll Holdings Ltd, Australia's largest transport and logistics company; a position he held for over 10 years.

Neil has a Masters of Business in Finance and Accounting, and is a Fellow of CPA Australia (FCPA) and Fellow of the Australian Institute of Company Directors (FAICD).

Other Directorships (current and recent)

Costa Group Holdings Limited (non-executive) since October 2011 and Chairman since July 2015.

Virgin Australia Holdings Limited (non-executive) from May 2006 to May 2015 and Chairman from June 2007 to May 2015.

Transurban Group (non-executive) since February 2009.

Recall Holdings Limited (non-executive) since October 2013.

Grange Resources Limited (non-executive) until April 2014.

Special Responsibilities

Chairman of the Board.

Member of the Audit and Risk Management Committee.

Member of the Remuneration Committee.

Chairman of the Nomination Committee.

Interests in shares and options

46,656 shares in SEEK Limited.



Andrew R Bassat
Chief Executive Officer and Co-founder
(Executive director)
Age 49

Appointed September 1997

Skills, Experience and Qualifications

Andrew Bassat is the CEO of SEEK Limited, and an Executive Director. He has been involved in all stages of the development of the business since he co-founded the Company in 1997. In particular, Andrew has driven, since inception, the strategy of the Group and led the creation and development of the international and education businesses.

Prior to co-founding SEEK, Andrew was a management consultant with Booz Allen & Hamilton and prior to that, he worked as a solicitor at Corrs Chamber Westgarth. Andrew holds a Bachelor of Science (Computer Science) degree from the University of Melbourne, a Bachelor of Laws (Honours) degree from Monash University and a Master of Business Administration degree from Melbourne Business School.

Other Directorships (current and recent)

The Shane Warne Foundation (non-executive) since January 2009.

Special Responsibilities

Chief Executive Officer.

Managing Director.

Interests in shares and options

14,039,729 shares in SEEK Limited, 2,272,160 options over SEEK Limited shares and 60,000 ADSs in Zhaopin Limited.



Colin B Carter
(Independent non-executive director)
Age 72

Appointed March 2005

Skills, Experience and Qualifications

Colin Carter has a consulting background in organisational and business strategy. He is a former Senior Partner of, and a current Senior Adviser to, The Boston Consulting Group. His interests include corporate governance issues and Colin has carried out board performance reviews for a number of companies as well as co-authoring a top-selling book on boards, Back To The Drawing Board.

Colin is a non-executive director of ASX listed Lend Lease Corporation Limited, and a Director of World Vision Australia. He is President of the Geelong Football Club. In 2014, Colin was appointed by the Prime Minister's Office as Special Advisor to the Empowered Indigenous Communities Taskforce.

Colin has a Bachelor of Commerce degree from the University of Melbourne and an MBA from Harvard Business School where he graduated with Distinction and as a Baker Scholar.

Other Directorships (current and recent)

Wesfarmers Limited (non-executive) from October 2002 to November 2014.

Lend Lease Limited (non-executive) since April 2012.

World Vision Australia (non-executive) since April 2008.

Ladder (non-executive) from March 2008 to August 2015.

Special Responsibilities

Chairman of the Remuneration Committee.

Member of the Audit and Risk Management Committee (until November 2014).

Member of the Nomination Committee.

Interests in shares and options

64,458 shares in SEEK Limited and 4,250 ADSs in Zhaopin Limited.



Denise I Bradley

(Independent non-executive director)
Age 73

Appointed February 2010

Skills, Experience and Qualifications

Emeritus Professor Denise Bradley AC has been extensively involved in national education policy groups for more than two decades. She was a member of the Commonwealth Tertiary Education Commission (CTEC) and later of the National Board of Employment, Education and Training (NBEET) and was deputy chair of the Higher Education Council of NBEET.

In 2008 Professor Bradley chaired the Expert Panel which undertook the National Review of Higher Education. Professor Bradley has also had significant roles on other government and educational boards and committees involved in higher education and training.

Professor Bradley is also a former President and Chair of IDP Education Australia Pty Ltd in which SEEK has a 50% investment in partnership with Australian Universities.

Professor Bradley is currently a member of the NSW Skills Board, a member of the NSW National Partnerships Evaluation Committee, and Chair of VERNet.

On Australia Day 2008 Professor Bradley was made a Companion of the Order of Australia, Australia's highest honour, in recognition of her service to higher education.

Professor Bradley has a Bachelor of Arts degree from Sydney University, a Diploma of Education from Adelaide University, a Diploma of Librarianship from the University of NSW, and a Masters degree in Social Administration from Flinders University. Professor Bradley also holds Honorary Doctorates from Pukyong University (Korea), University of South Australia, Royal Melbourne Institute of Technology and the University of Western Sydney.

Other Directorships (current and recent)

VERNet (Chair and non-executive director) since May 2007.

Special Responsibilities

Member of the Remuneration Committee.

Member of the Nomination Committee.

Interests in shares and options

10,056 shares in SEEK Limited.



Graham B Goldsmith

(Independent non-executive director)
Age 55

Appointed October 2012

Skills, Experience and Qualifications

Graham Goldsmith brings to the Board high calibre financial services and banking experience acquired from over 25 years of working in the sector.

Graham retired in 2012 as Vice-Chairman and a Managing Director of Goldman Sachs Australia after 25 years with the firm. Graham held a number of senior roles during his career with Goldman Sachs, predominantly advising listed company management teams and boards, and governments, on capital market and financing conditions and transactions. He also held a number of governance related roles, specifically focused on risk management and reputational issues. Graham was also Chair of the Goldman Sachs Australia Foundation, the not-for-profit entity through which the firm conducts charitable works in Australia.

Graham was educated at Swinburne Institute of Technology and graduated with a Bachelor of Business (Accounting). He completed the Advanced Management Program at Harvard University in Boston in 2007. He is a Fellow of CPA Australia (FCPA), a Fellow of the Australian Institute of Company Directors (FAICD), and a Fellow of the Financial Services Institute of Australia (FFin).

Graham is a non-executive Director of SEEK's separately listed subsidiary Zhaopin Ltd, of Djerriwarrh Investments Ltd, and is Chancellor of Swinburne University of Technology.

Other Directorships (current and recent)

Djerriwarrh Investments Ltd (non-executive) since April 2013.

Zhaopin Ltd (independent non-executive director) since June 2014.

Special Responsibilities

Chairman of the Audit and Risk Management Committee.

Member of the Nomination Committee.

Interests in shares and options

45,000 shares in SEEK Limited and 18,000 ADSs in Zhaopin Limited.



Julie A Fahey

(Independent non-executive director)
Age 58

Appointed July 2014

Skills, Experience and Qualifications

Julie has over 30 years of experience in technology, including in major organisations such as Western Mining, Exxon, Roy Morgan, General Motors and SAP, covering consulting, software vendor and Chief Information Officer roles.

In addition to her industry experience, Julie spent 10 years at KPMG as a partner with the firm, during which time she held roles as National Lead Partner Telecommunications, Media and Technology, and National Managing Partner – Markets.

Julie was also a member of the KPMG National Executive Committee. Julie has a Bachelor's degree in Applied Science.

Other Directorships (current and recent)

Yooralla (non-executive) since April 2015.

Special Responsibilities

Member of the Audit and Risk Management Committee (since November 2014).

Member of the Nomination Committee.

Interests in shares and options

2,288 shares in SEEK Limited.

Directors' Report

Information on directors continued

Company secretary

The Company Secretary is Moana Weir. Moana was appointed General Counsel and Company Secretary of SEEK in December 2010. Moana has 15 years senior management experience in listed online companies, having previously been the Company Secretary and General Counsel at both REA Group Ltd (realestate.com.au) and Melbourne IT Ltd. Moana was previously a non-executive director of VLine Corporation. Her term as a VLine director ended in October 2013. Moana was appointed to the Board of the Victorian Equal Opportunity and Human Rights Commission in March 2015 and is the Chair of the Commission Remuneration Committee. Moana is also a director on the board of a not-for-profit school foundation. Moana holds a BA, LLB (Hons) and is a Graduate member of the Australian Institute of Company Directors (GAICD).

Meetings of directors

	Board		Audit and Risk Management Committee		Remuneration Committee		Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
N G Chatfield	8	8	5	5	5	5	2	2
A R Bassat	8	8	5*	5	5*	5	2*	2
C B Carter ⁽¹⁾	7	8	2*	5	4	5	2	2
D I Bradley	7	8	3*	5	5	5	2	2
G B Goldsmith	8	8	5	5	4*	5	2	2
J A Fahey ⁽²⁾	8	8	4*	5	4*	5	2	2

* Where Directors are not members of various Board Committee, they attend by invitation of the Committee Chair.

1. Colin Carter resigned as a member of the Audit and Risk Management Committee in November 2014.

2. Julie Fahey was appointed as a member of the Audit and Risk Management Committee in November 2014.

Retirement, election and continuation in office of directors

Under the SEEK Limited constitution, the following directors will seek re-election at the 2015 Annual General Meeting (AGM):

- Colin Carter, being eligible, will seek re-election at the next AGM
- Graham Goldsmith, being eligible, will seek re-election at the next AGM

Under the SEEK Limited constitution, directors cannot serve beyond three years or the third AGM after their appointment, whichever is longer. They may, however, stand for re-election at that time.

If no director is in a position requiring them to stand for re-election in the normal rotation, then one director must stand for re-election at the AGM, as selected under the rules of the constitution.

Andrew Bassat, who is Managing Director and Chief Executive Officer, is not required to be re-elected while he holds the position of Managing Director.

Insurance of officers

SEEK Limited has entered into Deeds of Indemnity with all SEEK Limited directors in accordance with the SEEK constitution. During the financial year, SEEK Limited paid a premium to insure the directors, officers and managers of the Company and its controlled entities. The insurance contract requires the amount of the premium paid to be confidential.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, and where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

Details of the amounts paid to the auditor (PricewaterhouseCoopers) for non-audit services provided during the year are set out in note 32.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 45.

During the financial year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity and, its related practices.

	2015 \$	2014 \$
Other assurance services		
PricewaterhouseCoopers Australian firm:		
Due diligence services	162,625	773,500
Bank covenant, acquisition & statutory reporting	110,000	-
Related practices of PricewaterhouseCoopers Australian firm:		
Other non-audit services	456,390	765,870
Total remuneration for other assurance services	729,015	1,539,370
Taxation services		
PricewaterhouseCoopers Australian firm:		
Tax consulting - international	96,020	459,740
Tax consulting - domestic	45,040	295,482
Tax compliance	32,000	62,226
Related practices of PricewaterhouseCoopers Australia		
Tax compliance services, including review of company income tax returns	23,180	101,834
Tax consulting	17,098	-
Total remuneration for taxation services	213,338	919,282
Total remuneration for non-audit services	942,353	2,458,652

Fees paid to PricewaterhouseCoopers for audit and review of financial statements in FY2015 were \$2,484,535 (2014: \$4,190,879).

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

Directors' Report

Remuneration Report

1. Contents

The Remuneration Report contains the following sections:

1. Contents
2. About this report
3. Executive remuneration strategy and framework
4. Relationship between remuneration and company performance
5. Composition of remuneration in FY2015
6. Remuneration governance
7. Executive contract terms
8. Executive statutory remuneration for FY2015 and FY2014
9. Equity instruments held by KMP
10. Equity plans
11. Non-executive director fees
12. LTI options granted to KMP in overseas subsidiaries
13. Loans to KMP
14. Other transactions with KMP

2. About this report

2.1 Key Management Personnel ("KMP")

	Name	Position
Non-executive directors	N G Chatfield	Chairman, non-executive director
	C B Carter	Non-executive director
	D I Bradley	Non-executive director
	G B Goldsmith	Non-executive director
	J A Fahey	Non-executive director
Executive director	A R Bassat	Managing Director and Chief Executive Officer (CEO)
Other key management personnel	J A Armstrong	Chief Financial Officer (CFO)
	M F Callaghan	Group Human Resources Director (Group HR Director)
	P D Everingham	Managing Director - SEEK International (from 1 July 2015) Previous position: CEO - SEEK Asia
	M J Ilczynski	Managing Director - SEEK Employment (appointed 12 March 2015) Previous position: Managing Director - Product Development & Strategy
	J S Lenga	Managing Director - SEEK International - (until 1 July 2015)
	J S Powell	Managing Director - SEEK Education (appointed 12 March 2015) Previous position: Managing Director - SEEK Employment & Learning (AUS & NZ)

Changes since the end of the reporting period

As announced on 12 March 2015, John Armstrong (CFO) and Jason Lenga (Managing Director - SEEK International) will transition their respective roles during 2016.

John Armstrong will remain with SEEK as CFO until 31 December 2015, and remain employed until 1 July 2016 in the role of Special Advisor assisting in the transition to a new CFO. On 30 June 2015, SEEK announced the appointment of Geoff Roberts as Group CFO, he will join SEEK in November 2015.

Jason Lenga ceased his role as Managing Director - SEEK International on 1 July 2015, and will remain employed until 1 July 2016 in the role of Special Advisor, providing strategic services on international business and corporate issues. In addition, both John Armstrong and Jason Lenga will continue as directors on the Board of Zhaopin Ltd.

The performance rights and LTI options for John Armstrong and Jason Lenga will be dealt with in accordance with the relevant plan rules.

Three new Executives were appointed in March 2015 - Ronnie Fink (Corporate Development Director, driving SEEK's acquisition activity), Simon Lusted (Group Strategy Director, driving the employment strategy across all markets) and Isar Mazer (MD International Operations, driving operational cooperation with the international business as well as the Latin American businesses). These three Executives have operational duties and report to an Executive that is not the CEO, and therefore do not constitute KMP for FY2015.

From FY2016 onwards, KMP will include the CEO, CFO and the Managing Directors of SEEK Employment, SEEK International and SEEK Education.

2.2 Basis of preparation

This Remuneration Report sets out remuneration information for the KMP of SEEK. All references to executives in this Remuneration Report will be to executives that are KMP executives. The information in this report has been prepared based on the requirements of the *Corporations Act 2001* and the applicable accounting standards.

The Remuneration Report is designed to provide shareholders with an understanding of SEEK's remuneration policies, and the link between the Group's remuneration philosophy, strategy and performance. Individual outcomes are provided for SEEK's KMP.

The Remuneration Report has been audited.

2.3 Description of terms

Throughout this Remuneration Report, references will be made to a number of elements of the SEEK remuneration framework. The reference guide below outlines where details and explanations can be found for each element

Term	Description	Reference
Total remuneration (TR)	Total remuneration in FY2015 comprises the executive's package of base salary, superannuation, performance rights and LTI options.	3.1
Performance right (PR)	Executives are issued one performance right, valued at a fixed % of TR, which converts to a number of shares, according to calculations outlined in section 5.3.	3.2 5.3
Long-term incentive (LTI) options	Executives are issued with a number of LTI options – each option gives the executive the right to purchase one SEEK share at a future date at a predetermined price, if all performance hurdles are met. Performance hurdles for the FY2015 LTI options are set using the concept of an Indexed option (see below).	3.2 5.4
Compound annual growth rate (CAGR)	The year-on-year growth rate of an investment over a specified period of time.	5.4
Indexed Option	The exercise and strike price of the option is determined by grossing up the share price at the effective date by the 15 year CAGR returns of the All Ords Index cumulatively over the three year plan.	5.4
Relative Total Shareholder Return (RTSR)	The level of total return of SEEK's shares to shareholders (capital gain plus dividends), over a predetermined period of time, in comparison to other companies in SEEK's comparator group.	4.3
Earnings Per Share (EPS)	The portion of a company's profit allocated to each outstanding ordinary share. EPS is calculated as: $\frac{\text{Net Profit after tax attributable to SEEK}}{\text{Weighted average number of shares on issue}}$	4.1 4.2
"Look-through" revenue	Revenue based on ownership as at each reporting date and calculated as follows: <ul style="list-style-type: none"> SEEK's proportional ownership interest at the end of each reporting period multiplied by underlying 100% revenue of the entity or associate/joint venture ("JV") <p>As a number of the entities (Associates /JVs) included in the "look-through" results are not controlled and therefore not consolidated by SEEK, the "look-through" revenue and EBITDA does not reconcile to SEEK's consolidated reported revenue.</p>	4.2

Directors' Report

Remuneration Report continued

3. Executive remuneration strategy and framework

3.1 SEEK's executive remuneration strategy

The SEEK Board is committed to a remuneration framework that is focused on creating sustainable shareholder value.

SEEK's remuneration scheme has the following attributes:

- Alignment to shareholder interests;
- Alignment to achievement of Company vision and strategy;
- Reasonableness, transparency and simplicity; and
- Attraction and retention of high calibre executives.

The principles which underpin the SEEK remuneration strategy are set out below.

1. Establish a more appropriate peer group for benchmarking Total Remuneration

Very few Australian companies have established strong market positions domestically and overseas in rapidly developing markets as SEEK has done, and so the Board considers the use of benchmarks which focus mostly on Australian domestic companies to be problematic. For FY2015 remuneration the Board selected a comparator group based on local Australian market capitalisation which is relevant for many positions in SEEK. SEEK is one of the few Australian companies to build a strong global position in some of the world's fastest growing and yet challenging markets and so we expect our numbers to be at the higher end of local benchmarks. The Board has also carefully considered how to benchmark SEEK's executives who are driving the global business. Factors of increasing relevance in this area includes SEEK's increasing exposure to offshore markets, as well as the number of global players competing for talent within the markets in which SEEK operates. To this end, the Board obtained additional benchmark data from global IT sector companies in other markets in which SEEK competes for executive talent, primarily in the US, to improve and widen the scope of its benchmarking data.

2. No Short-term Incentives (STI) - for SEEK's executives to ensure focus on long-term growth

Instead of a cash-based STI, one third of the base payment has been paid in performance rights which convert to shares after a performance period of one year. The payment in shares means that the value is at risk - as it is for shareholders. In addition, the 18 month disposal restriction period after vesting further locks up the value to executives for a total of 30 months.

3. Long-term Incentive (LTI) only generates value for executives if shareholders are doing well

SEEK's executives receive indexed options to the value of one-third of their fixed package. The strike price for the options is determined by grossing up the SEEK share price at issue date by the rolling CAGR returns of the ASX All Ordinaries Index over 15 years, for each year of the three year performance period. On vesting, an additional one year share disposal restriction period applies, resulting in the executive's ability to derive value from the LTI Options being restricted for a total period of four years. The Board believes that this element of the SEEK remuneration scheme is highly aligned to the shareholder's long term interest as it only pays out when SEEK's share price has risen materially.

In implementing this remuneration framework, the Board has achieved its intention to set a level of total remuneration that is fair and reasonable in its structure and quantum. The Board considers that its strategy appropriately rewards strong performance by the Company in all market conditions and at all points in the economic cycle.

With performance rights, the value to the executive replicates the value created for the shareholder. The long-term incentive component for executives also has a direct correlation to shareholder value, as growth in share price generates wealth for both executives and shareholders.

SEEK executives are focused on the long-term success of the Group rather than short-term outcomes. This has been reflected in the high level of investment activity across the Group in FY2015, such as:

- SEEK Asia Limited's 100% acquisition of Jobstreet Corporation Berhad;
- SEEK's increased ownership in SEEK Asia Limited, and.
- SEEK's increased ownership in OCC Mundial.

In FY2015, the SEEK Group performance has remained strong and continues to drive long-term shareholder value. SEEK has a number of opportunities both within the domestic market and, through its subsidiaries, across its international markets to pursue continued future growth and to continue to enhance shareholder value over the long term.

3.2 Structure of remuneration packages

For FY2015, executive and CEO remuneration was structured as set out below:

	Base pay	Performance rights	LTI options	Non-monetary benefits ⁽¹⁾
	Base salary plus superannuation	Annual issue of one performance right	Grant of share options with performance linked to "indexed share price"	Salary continuance insurance cover
	Salary sacrificed benefits and related Fringe Benefits Tax	12 month qualification period; shares "accrued" each month	Three year performance period	Car parking
		Share trading restriction period of 18 months following qualification period	Share trading restriction period of 12 months following vesting	
CEO	50% of TR (incl. super)	20% of TR	30% of TR	
Executive	50% of TR (incl. super)	25% of TR	25% of TR	

1. Non-monetary benefits are minor amounts paid by SEEK in addition to Total Remuneration package.

3.3 Changes from FY2016

From 1 July 2015, a number of changes to the executive remuneration framework will take effect. These changes will strengthen SEEK's ability to attract and retain key talent, and maintain the focus on aligning executive interests with shareholders by providing executives the opportunity to share in SEEK's wealth creation when shareholders do well.

Details of the changes, and rationale as to why the changes are being made, are set out below:

CEO remuneration mix

Detail	Rationale and explanation
<p>The CEO's remuneration structure will change to 25% of TR for each of the performance right and LTI components.</p> <p><i>Previous remuneration mix:</i> Salary 50% / Performance right 20% / LTI 30%</p> <p><i>Proposed remuneration mix:</i> Salary 50% / Performance right 25% / LTI 25%</p>	<p>The Board has determined that the CEO pay mix should align with the other executives (as outlined above in section 3.2).</p> <p>The Board believes that aligning the remuneration mix across all executives (including the CEO) is appropriate as it removes any potential or perceived misalignment of interests that could arise from having differences in remuneration composition.</p>

Performance right

Detail	Rationale and explanation
<p>The disposal restriction period on the shares that result after vesting of the performance right (as described above in section 3.1 (2)) will change from 18 months to 12 months.</p>	<p>The value of the performance right is locked up for executives for a total of 24 months, rather than 30 months previously.</p> <p>This change supports the Board's objective of attraction and retention of executives and is consistent with the equity lock up periods of many other large Australian companies.</p> <p>It is important to re-iterate the advantages of the performance right:</p> <ul style="list-style-type: none"> • Paid in equity so aligned with shareholders; • Reward is not received for 24 months, which offers protection to shareholders that executives are not being rewarded for short-term decisions; and • It is not awarded on the basis of short-term financial outcomes. Therefore executives are incentivised to do the "right thing", not what is right for their remuneration.

Directors' Report

Choice of LTI instrument

Detail	Rationale and explanation
Executives will have the choice of receiving their LTI in options ("LTI Options") or rights ("LTI Rights") with the same performance hurdle.	The Board believes that providing executives with this flexibility further supports the Board's objective of attraction and retention of executives, while maintaining an emphasis on shareholder wealth creation.
Executives may choose between: <ul style="list-style-type: none"> • 100% LTI Options; • 100% LTI Rights; or • 50% of LTI Options and 50% of LTI Rights. 	<p>This change provides flexibility for executives to determine which LTI instrument is most appropriate based on their personal circumstances. The same performance hurdle applies to both instruments.</p> <p>It is important to re-iterate that the following key principles underpin both LTI Options and LTI Rights:</p> <ul style="list-style-type: none"> • Both instruments are still subject to the same challenging hurdle (refer section 5.4 for further discussion); • The hurdle is based on a transparent and simple metric being share price growth, whereby executives will only receive additional wealth if market returns are exceeded; and • There is the same lock up period across both instruments.

The additional terms for the grant of LTI Options and LTI Rights that will be made in FY2016 are set out below. These terms are consistent with prior year grants.

	Detail	Additional information
Objectives	Align the reward for executives with shareholder wealth and Group performance over a period of time	
Effective date	1 July 2015	
Test date	30 June 2018	
Vesting period	Awards vest on 1 July 2018 and are subject to a 12 month exercise restriction period ending 1 July 2019	
Expiry date	1 July 2020	
Allocation methodology	<p>The number of LTI Rights and/or LTI Options offered to an executive will be determined by dividing the executive's LTI value by the fair value of each instrument, as determined by an independent consultant (Ernst & Young).</p> <p>The estimated fair value will be based on the closing share price as at the effective date.</p> <p>The fair value is calculated using a binomial option pricing model, which takes into consideration factors such as the performance hurdles, probability of those hurdles being achieved, share price volatility, expected life of the award, dividend yield and risk free rate.</p> <p>The fair value of LTI instruments as at 1 July 2015 is as follows:</p> <ul style="list-style-type: none"> • LTI Options \$1.92 • LTI Rights \$5.75 <p>For the purpose of comparison, in relation to the CEO's remuneration mix, the fair value of the LTI grant is 50% of base salary. Should the CEO elect to take 100% LTI options, the grant would be equivalent to 380% face value of base salary. Should the CEO elect to take 100% LTI Rights, the grant would be equivalent to 127% face value of base salary given that each LTI Right is valued at 3 times an LTI Option, as the Right has a zero exercise price.</p>	<p>The choice of instrument will not result in any change in an executive's LTI value (i.e., the LTI proportion opportunity of an executive's Total Remuneration) or Total Remuneration opportunity.</p> <p>The allocation methodology used to determine the number of LTI Options and LTI Rights an executive receives is consistent across both instruments and with prior years' methodology.</p> <p>The fair value for the LTI Rights of \$5.75 represents c60% discount from face value when considering all factors listed above. Fifty percent (50%) discount from face value (i.e., the majority, or 84% of the discount) is attributable solely to the difficulty of the share price hurdle. By way of comparison, the Board has been advised by its external valuer that the typical discount for LTI rights plans using a relative TSR is 30-40%, indicating that the SEEK performance hurdle is more difficult.</p> <p>The Board's view on the share price hurdle is that it is challenging, particularly with reference to other LTI plans in the ASX.</p>

Performance conditions	<p>Both LTI Options and LTI Rights will be subject to the same performance hurdle (outlined above in section 3.1 (3)).</p> <p>The indexed share price hurdle for FY2016 is \$16.68, calculated on the basis of achieving compounding annual growth in the SEEK share price of 4.5% per annum, using \$14.62 as the starting price (10 day volume weighted share price (VWAP) at 1 July 2015). This compounding annual growth rate has been determined by grossing up the SEEK share price at the effective date by the rolling CAGR returns of the ASX All Ordinaries Index over 15 years for each year of the three year performance period.</p> <p>The methodology is consistent with prior years' VWAP calculation, with the strike price of \$16.68 (FY15: \$19.04) reflecting the starting price of \$14.62 (FY15: \$16.40) and prior 15 year rolling compound annual growth rate for the ASX All Ordinaries Index of 4.5% (FY15: 5.1%).</p>	<p>The change is consistent with the Board's fundamental philosophy that executives will only be delivered value when shareholders have done well (i.e. the indexed share price hurdle is met).</p> <p>The indexed share price hurdle was determined in accordance with the methodology applied in previous years.</p> <p>The Board is of the view that the share price hurdle of \$16.68, calculated on the same 10 day VWAP, is challenging. No value is realised by LTI participants until the share price growth is greater than 4.5% per annum, excluding any dividends paid to shareholders.</p> <p>The share price hurdle is challenging in the current low growth environment and relative to the volatile equity market conditions and SEEK's share price.</p> <p>The Board continues to believe that this indexed share price hurdle is the most aligned measure of absolute shareholder value creation as the LTI will only vest if absolute (rather than relative) value is created for shareholders.</p>
Vesting schedule	<p>If the EEP (outlined in section 5.4 below):</p> <p>=1 or above, 100% of LTI Options/LTI Rights will vest</p> <p>=Less than 1, 0% of LTI Options/LTI Rights will vest</p>	
Exercise price	<p>LTI Options: \$16.68</p> <p>LTI Rights: Nil</p>	There is no exercise price associated with LTI Rights.

Minimum shareholding requirement

Detail	Rationale and explanation
Executives will be required to hold SEEK shares equivalent to one year of base salary (including superannuation).	This change ensures that at any point in time, SEEK's executives and CEO have a significant portion of their total salary tied up in equity.
The CEO will be required to hold SEEK shares equivalent to two years of base salary (including superannuation).	This encourages greater alignment between executive and shareholder interests, in addition to the equity alignment created by the current structures, namely – the extended lock up periods and 50% of TR being linked to medium to long-term share price performance.
New executive members will be permitted to reach the minimum requirement over a period of 3 years.	The minimum shareholding requirement, combined with executives receiving 50% of their annual total remuneration in equity with a lock up period, further consolidates the alignment between shareholders and executives.
As at the date of this report, all executives comply with the requirements of this policy.	

4. Relationship between remuneration and company performance

4.1 SEEK's performance

The table below sets out information about the Group's earnings and movements in shareholders' wealth for the past five years up to and including the current financial year.

	2015	2014	2013	2012	2011
NPAT (excluding significant items) attributable to SEEK (\$'m) ⁽¹⁾	186.8	179.7	141.1	130.5	104.6
Share price at year end (\$)	14.06	15.85	9.07	6.34	6.44
Weighted average share price (\$)	16.61	13.64	8.58	6.11	6.86
Basic EPS (excluding significant items) (cents) ⁽¹⁾	54.5	53.0	41.8	38.6	31.1
Total dividend (cents per share)	36.0	30.0	22.0	17.3	14.3

1. Excludes the impact of one-off significant items in each year; refer to the Review of Operations on page 4.

The SEEK executive remuneration strategy focuses on continuing to drive long-term growth in shareholder value.

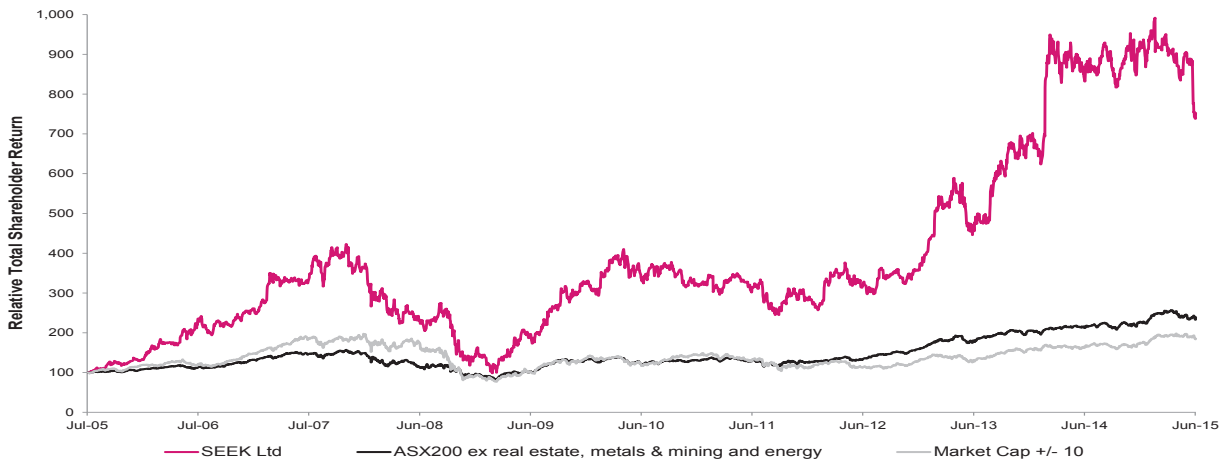
Directors' Report

Remuneration Report continued

4. Relationship between remuneration and company performance continued

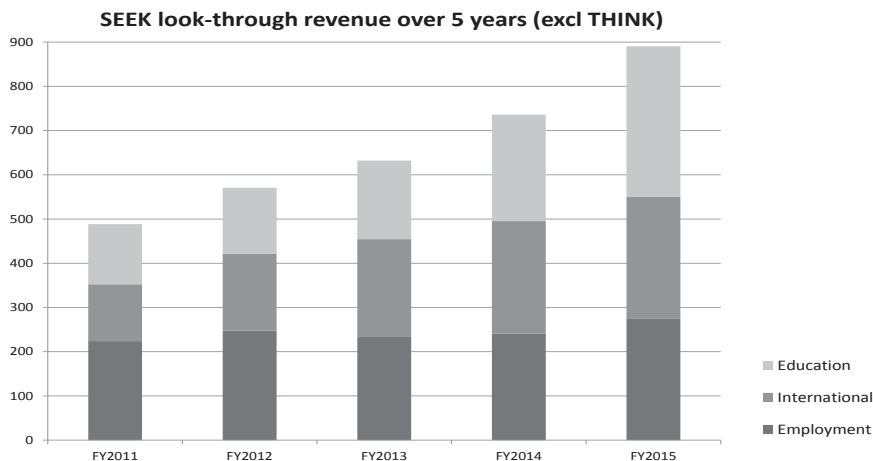
4.1 SEEK's performance continued

The graph below shows SEEK's relative total shareholder return for the ten years to 30 June 2015 in comparison to the ASX 200 excluding real estate, metals, mining, and energy and SEEK's current benchmark peer group of companies with market capitalisation ranking of 10 above and 10 below SEEK at 31 March 2015. These results highlight the strong performance of SEEK against its peers in the past ten years which illustrates the creation of long term shareholder value under the leadership of the SEEK CEO and Executive team.

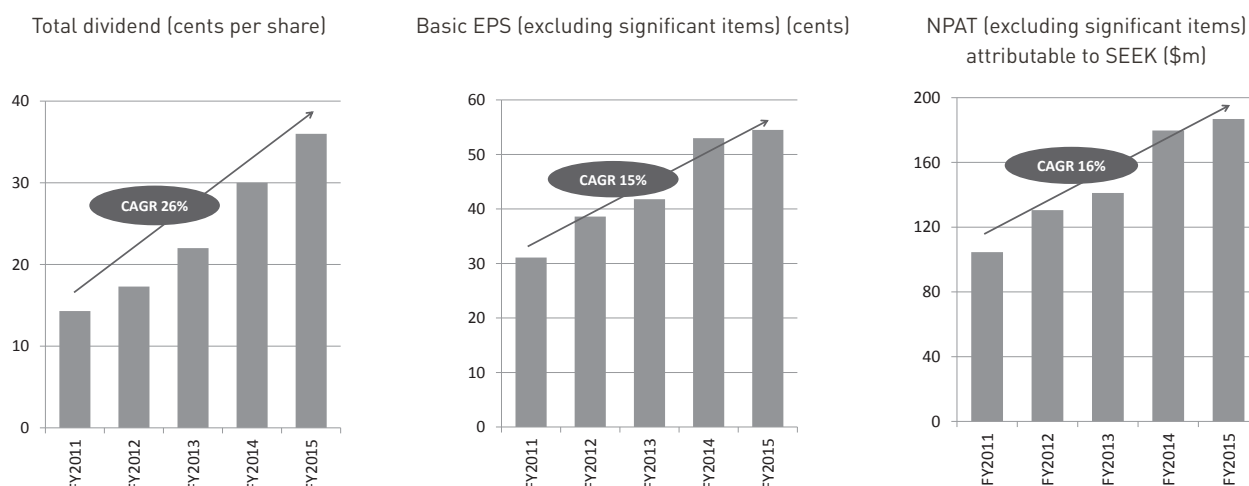


4.2 Total remuneration compared to key financial measures

The graph below highlights the growth in look-through revenue of the SEEK Group in the last five years. While look-through revenue is not recognised under Australian Accounting Standards, it is used as a key financial measure of the SEEK Group as it incorporates revenues of all subsidiaries, associates and joint ventures across the Group (refer to section 2.3 for definition of "look-through" revenue). The results clearly reflect that SEEK's International business has grown significantly to become a key part of the Group, as part of the wider strategic direction.



The graphs below show the growth of the SEEK Group in the last five years across three key financial measures. Consistent growth in dividend pay-outs and EPS results reflect the financial success of the SEEK Group*.



* Graphs reflect normalised results which exclude the impact of one-off items in each year, as disclosed in respective Annual Reports.

4.3 Historical performance outcomes

LTI options

Legacy LTI plans are option plans which were designed to align executive rewards with shareholder value through the use of RTSR and EPS hurdles.

The LTI plans with a vest date in FY2015 are shown in the following table:

	Grant date	Members	Performance hurdle	Test date	Vest date	% Vested
1.	21 November 2011	CEO	RTSR	31 August 2014	1 September 2014	100%
2.	1 September 2011	All executives	RTSR	31 August 2014	1 September 2014	100%
3.	1 September 2011	Managing Director - SEEK International	ROI of SEEK International	31 August 2014	1 September 2014	100%

2011 Options Grant - CEO and all executives

This is a three year plan with a performance period covering financial years ended 30 June 2012, 2013 and 2014. The hurdles were tested at 31 August 2014 (Test Date) and the plan vested on 1 September 2014 (Vest Date).

100% of options issued under the RTSR hurdle vested because SEEK ranked at or above the 75th percentile in the comparator group (i.e. at 99.1%).

This plan is the final legacy plan with an RTSR hurdle.

2011 Options Grant - Managing Director (SEEK International)

This is a three year plan with a performance period covering financial years ended 30 June 2012, 2013 and 2014. The ROI hurdles were tested at 31 August 2014 (Test Date) and the plan vested on 1 September 2014 (Vest Date).

Entitlement to vest options under the ROI hurdle is:

- growth rate of 22%: 50% vest
- growth rate between 22% and 30%: additional 6.25% vesting per 1% of additional growth
- growth rate of 30% and above: 100% vest

100% of these options vested because SEEK's actual ROI growth rate exceeded the maximum ROI target (i.e. 30%).

Directors' Report

Remuneration Report continued

4. Relationship between remuneration and company performance continued

4.3 Historical performance outcomes continued

Performance Rights

Under the executive remuneration strategy, KMP received one performance right with an effective date of 1 July 2013; the performance right vested on 1 July 2014 and converted to a number of shares. The table below details the number of shares allocated to KMP during FY2015. Shares are deferred under a trading lock for 18 months until 1 January 2016.

The value of deferred shares for executives has a direct correlation to shareholder value, as growth in share price generates wealth for both executives and shareholders.

	Effective date	Date of exercise of performance right	Number of ordinary shares issued on exercise
Executive directors			
A R Bassat	1 July 2013	1 July 2014	67,556
Other key management personnel			
J A Armstrong	1 July 2013	1 July 2014	19,833
M F Callaghan	1 July 2013	1 July 2014	13,073
P D Everingham	1 July 2013	1 July 2014	22,174
M J Ilczynski	1 July 2013	1 July 2014	23,405
J S Lenga	1 July 2013	1 July 2014	28,010
J S Powell	1 July 2013	1 July 2014	27,009

4.4 Shares provided on exercise of remuneration options

A number of KMP have exercised options during the year under plans granted and vested in previous financial years. Details of ordinary shares in the Company provided as a result of these exercises during the year are set out below.

	Date of exercise	Number of ordinary shares issued on exercise	Exercise price	Value at exercise date *
Executive directors				
A R Bassat	17 March 2015	964,065	\$5.36	\$11,829,078
A R Bassat	17 March 2015	416,660	\$7.39	\$4,266,598
Other key management personnel				
J A Armstrong	2 September 2014	176,000	\$5.36	\$2,110,240
M F Callaghan	18 September 2014	143,411	\$5.36	\$1,659,265
P D Everingham	28 November 2014	232,520	\$5.36	\$2,839,069
P D Everingham	4 December 2014	35,275	\$7.39	\$349,223
M J Ilczynski	2 September 2014	212,375	\$5.36	\$2,546,376
J S Lenga	27 August 2014	94,413	\$7.39	\$899,756
J S Lenga	2 September 2014	327,439	\$5.36	\$3,925,994
J S Lenga	15 September 2014	327,439	\$5.36	\$3,925,994
J S Powell	2 September 2014	269,970	\$5.36	\$3,236,940

* Value at exercise date is calculated as share price [5 day VWAP] on exercise date less exercise price paid, multiplied by number of options exercised

4.5 Statutory remuneration disclosures

The statutory remuneration disclosures for the year ended 30 June 2015 are detailed in Section 8 and are prepared in accordance with Australian Accounting Standards. These statutory disclosures differ from the FY2015 remuneration decisions and outcomes outlined in the SEEK remuneration strategy, discussed in Section 3.

These differences arise mainly due to the accounting treatment of share-based payments (such as the performance right and LTI options). The statutory disclosures include an accounting remuneration value for both current year performance rights and all unvested LTI options plans. Accounting standards require remuneration in the form of performance rights and LTI options to be expensed (and therefore included as remuneration) over the performance period of the option or right.

5. Composition of remuneration in FY2015

5.1 Base Pay

Base pay is set at a market competitive rate and is reviewed annually by the Remuneration Committee, using peer group data updated annually by external remuneration consultants.

TR for executives is targeted between the 50th and 80th percentiles of a comparator group comprising of companies with similar market capitalisations. The comparator group is +/- 10 companies either side, compared to SEEK's market capitalisation as at 31 March each year. SEEK's Board recognises that market capitalisation is not the perfect measure for SEEK as it does not take into account the complexity of SEEK's operations or its global reach; however the Board considers that it is currently the best available measure which is relevant for many positions in SEEK. The level of an individual executive's pay is determined by considering performance of the incumbent, relative importance of the role and supply of talent in the market. SEEK competes on the global stage for talent, particularly for its key differentiating roles, and the Board recognises that its remuneration framework must reflect this. During FY2015, remuneration consultants Aon Hewitt were requested to provide additional benchmark data from global companies in other markets in which SEEK competes for executive talent, primarily in the US, to improve and widen the scope of benchmarking data. International benchmarks have become increasingly relevant in SEEK's remuneration strategy.

Base pay may be delivered as a combination of cash and benefits at the executive's discretion. There is no guaranteed annual increase in executive remuneration.

5.2 Benefits

Executives receive salary continuance cover, which is also provided to all employees of the Company, as well as on-site car parking.

Retirement benefits are delivered under the Superannuation Guarantee Charge. Under current legislation, SEEK permits the choice of superannuation funds to all employees. The SEEK default fund is the SEEK Limited Superannuation Plan, which is provided by MLC Limited Group and is an accumulation fund. Other retirement benefits for directors and executives may be provided directly by SEEK if the benefit is within statutory limits or is approved by shareholders.

5.3 Performance rights

The performance right component of the remuneration framework operates as outlined below.

Quantum

The value of the performance right to executives in FY2015 is as follows:

- CEO receives 20% of TR as a performance right; and
- All other executives receive 25% of TR as a performance right.

Terms and Duration

The performance right converts to shares following the expiry of a qualification period of one year (the "Qualification Period"). Following this period, shares are held in Trust on behalf of individuals, and are subject to trading restrictions under which the CEO and executives cannot transfer or otherwise deal in the shares for 18 months (the "Restriction Period")

During the Restriction Period, the CEO and all executives will receive the benefit of any dividends and other shareholder benefits (including voting rights) but will not be able to access or trade in the shares. Should the CEO or an executive no longer be employed by the SEEK Group within the respective Restriction Period, they will be entitled to the full rights of the shares, but remain bound by the restrictions associated with them.

Calculation

Share entitlement for each of the executives is determined each month during the one year Qualification Period. SEEK will calculate the notional value of shares that could be delivered in respect of that month following the end of the Qualification Period as follows:

$$\text{Monthly Number} = \frac{V}{AP}$$

Where:

- Monthly Number = the notional number of shares in respect of a relevant month (rounded up to the nearest whole number);
- V = 1/12th of the allocated value of the performance right;
- AP = the volume weighted average price at which shares were traded on the ASX during that month.

Directors' Report

Remuneration Report continued

5. Composition of remuneration in FY2015 continued

5.3 Performance rights continued

Following the end of the Qualification Period, SEEK will calculate the total number of shares to be provided on exercise of the performance right by aggregating the sum of the 12 monthly numbers.

The terms for the grants of performance rights made in FY2015 are set out below:

	Executive Performance Rights Issue	CEO Performance Rights Issue
Objectives	Align the reward for Executives with shareholder wealth and Group performance over a period of time	Align the reward for CEO with shareholder wealth and Group performance over a period of time
Grant date	6 August 2014	12 December 2014
Effective date	1 July 2014	1 July 2014
Vehicle	Performance right	Performance right
Vesting period and vest date	Performance right vests on 1 July 2015 and is subject to an 18 month disposal restriction period ending 1 January 2017	Performance right vests on 1 July 2015 and is subject to an 18 month disposal restriction period ending 1 January 2017
Share price at effective date	\$15.90 at 1 July 2014	\$15.90 at 1 July 2014
Performance conditions	Employment with the SEEK Group for entire Qualification Period	Employment with the SEEK Group for entire Qualification Period
Exercise price	Nil	Nil

5.4 LTI options

The LTI options component of the remuneration framework operates as outlined below.

Quantum

The value of LTI options to executives in FY2015 is as follows:

- CEO receives 30% of TR as LTI options; and
- All other executives receive 25% of TR as LTI options.

The option entitlement for FY2015 for each executive is determined by dividing the allocated percentage of TR by \$2.38, being the fair value of one option as valued by an independent external consultant at 1 July 2014. The fair value is reviewed at the effective date and grant date of each award.

Terms and Duration

The FY2015 hurdle is set using the concept of an indexed option. The strike price (and exercise price) is determined by grossing up the SEEK share price at effective date by the rolling CAGR returns of the ASX All Ordinaries Index over 15 years, for each year of the three year performance period. The Board's view is that currently the preferred measure for appropriate returns is the 15 year CAGR for All Ordinaries.

If required performance hurdles are met, LTI options vest after the three-year vesting period has passed.

In the event that LTI Options vest at the end of the three year vesting period, an additional one year share disposal restriction period applies. As a result, the executive's ability to derive value from the LTI options is restricted for a total period of four years.

Calculation

The FY2015 grant of options were granted at no cost but each option has an exercise price of \$19.04. The exercise price is calculated as follows:

- Issue date price: 10 day volume weighted average price (VWAP) at 30 June 2014 was \$16.40;
- Prior 15 year rolling CAGR returns for the ASX All Ordinaries Index was 5.1% for FY2015;
- Exercise price for each LTI option is $\$16.40 \times (1.051^3) = \19.04

The LTI options are subject to an “Exercise Entitlement Percentage” (EEP) performance condition measured over a three year testing period (1 July 2014 to 30 June 2017). The EEP is tested once on 30 June 2017 (the “Testing Date”) by dividing the volume weighted average price of shares for the 10 trading days before the Testing Date (the “Testing Date Price”), by the target premium option strike price of \$19.04 (the “TOSP”) as follows:

$$\text{EEP} = \frac{\text{Testing Date Price}}{\text{TOSP}}$$

The percentage of LTI Options that will vest depends on SEEK’s performance against the EEP condition over the three year testing period:

- If EEP = 1 or above, then 100% of LTI options will vest;
- If EEP = less than 1, then none of the LTI options will vest and options lapse immediately.

Options will also lapse immediately if an executive ceases employment before the Testing Date unless, subject to applicable law, the Board determines otherwise.

The terms for the grants of options made in FY2015 are set out below:

	Executives LTI Options Issue	CEO LTI Options Issue
Objectives	Align the reward for Executives with shareholder wealth and Group performance over a period of time	Align the reward for CEO with shareholder wealth and Group performance over a period of time
Grant date	6 August 2014	12 December 2014
Effective date	1 July 2014	1 July 2014
Vehicle	Indexed options	Indexed options
Test date	30 June 2017	30 June 2017
Vesting period and vest date	Options vest on 1 July 2017 and are subject to a 12 month disposal restriction period ending 1 July 2018	Options vest on 1 July 2017 and are subject to a 12 month disposal restriction period ending 1 July 2018
Expiry date	1 July 2019	1 July 2019
Share price at grant date	\$16.45 at 6 August 2014	\$16.17 at 12 December 2014
Performance conditions	Dependent on achieving compounding annual growth in the SEEK share price of 5.1% per annum, using \$16.40 as the starting price (10 day volume weighted share price at 1 July 2014)	Dependent on achieving compounding annual growth in the SEEK share price of 5.1% per annum, using \$16.40 as the starting price (10 day volume weighted share price at 1 July 2014)
Vesting schedule	If the EEP (outlined above): = 1 or above, 100% of options will vest = Less than 1, 0% of options will vest	If the EEP (outlined above): = 1 or above, 100% of options will vest = Less than 1, 0% of options will vest
Exercise price	\$19.04	\$19.04
Fair value at grant date	\$2.84	\$2.39

Directors' Report

Remuneration Report continued

6. Remuneration governance

6.1 Remuneration Committee function

The Remuneration Committee reviews and makes recommendations to the Board on the appropriate remuneration structure for the CEO and executives, as well as for non-executive directors. The Remuneration Committee is responsible for ensuring that the remuneration framework reflects the SEEK Board's focus on driving a performance culture that is aligned to the achievement of SEEK's business strategy and objectives and the creation of sustainable shareholder value. Full details of the SEEK executive remuneration framework are set out in section 3.

6.2 Use of remuneration advisors

The Remuneration Committee engaged external remuneration consultants to provide independent market benchmarking data and information on market practice and trends, regulatory developments and the views of various shareholder groups and proxy advisors. The Remuneration Committee and the Board consider this input along with other factors, in making its remuneration decisions.

In FY2014, the Remuneration Committee approved the engagement of Aon Hewitt to provide FY2015 market benchmarking data. This enables SEEK to ensure the Total Remuneration for the CEO and executives is appropriately positioned relative to equivalent roles among the Australian core comparator group comprising companies with similar market capitalisation. The consultants were also requested to provide additional benchmarks among global companies in other markets in which SEEK competes for executive talent. Aon Hewitt has been further engaged to provide market benchmarking data for non-executive directors fees for the Company to ensure payments are appropriate relative to the core comparator group and in line with market trends. The Remuneration Committee is satisfied that no remuneration recommendations were provided.

7. Executive contract terms

7.1 Summary of CEO Remuneration for FY2015

The CEO's remuneration package for FY2015 comprises the amounts outlined below, as approved at the SEEK Limited AGM in November 2014.

Remuneration element	Value	Proportion of package	Nature of remuneration	Details
Base pay, including superannuation	\$2,040,000	50%	Fixed pay	
Performance right	\$816,000	20%	Variable	CEO was granted one performance right as approved by shareholders at the November 2014 AGM. The performance right has been granted under the terms outlined in section 5.3 (CEO Performance Rights Issue)
LTI options	\$1,224,000	30%	At risk	Using an external fair value of \$2.38 calculated as at 1 July 2014, the CEO was granted 514,285 options on 12 December 2014 under an LTI Plan approved by shareholders at the November 2014 AGM. The options have been granted under the terms outlined in section 5.4 (CEO LTI Options Issue)
Benefits	\$6,263			Benefits received include income protection insurance and car parking

Details of all outstanding option plans in which the CEO has participated can be found in section 10.

7.2 Executive Service agreements

Remuneration and other terms of employment for the CEO and other KMP are formalised in service agreements. Each of these agreements provides for base salary, performance rights and LTI and are reviewed annually by the Remuneration Committee.

All executives (excluding CEO) have termination notice periods of three months by employee and three months by employer. The CEO has a termination notice period of six months by employee and six months by employer. In addition, all executives have non-competition periods of 12 months across all markets in which SEEK operates from the termination date. The Company can terminate employment with a payment in lieu of notice.

Remuneration Report continued

8. Executive statutory remuneration for FY2015 and FY2014

	Short term benefits			Post-employment benefits		Long-term benefits		Share-based payments			Percentage of remuneration that consists of:		
	Cash salary ⁽¹⁾	Non-monetary benefits	Superannuation ⁽²⁾	Long service leave	Share-based payments - Performance rights ⁽³⁾	Share-based payments - LTI options ⁽⁴⁾	Total	Fixed ⁽⁵⁾	Variable Perf rights ⁽⁶⁾	At risk LTI			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Executive directors													
A R Bassat	2015	2,009,584	6,263	30,417	90,580	816,000	1,941,595	4,894,439	44%	17%	39%		
	2014	1,750,000	6,570	25,000	56,746	887,500	1,483,931	4,209,747	44%	21%	35%		
Other key management personnel													
J A Armstrong	2015	640,000	6,263	30,000	15,109	335,000	302,389	1,328,761	52%	25%	23%		
	2014	611,763	6,570	25,000	6,271	260,494	330,135	1,240,233	52%	21%	27%		
M F Callaghan	2015	388,733	6,827	30,417	5,782	207,500	278,992	918,251	47%	23%	30%		
	2014	394,684	6,570	25,000	4,778	171,689	228,827	831,548	52%	21%	27%		
P D Everingham	2015	752,500	5,895	30,417	10,464	390,000	486,828	1,676,104	48%	23%	29%		
	2014	689,581	6,202	25,174	6,940	291,279	383,796	1,402,972	52%	21%	27%		
D Gibbons ⁽⁷⁾	2015	-	-	-	-	-	-	-	n/a	n/a	n/a		
	2014	36,252	608	3,353	(22,680)	-	(146,081)	(128,548)	n/a	n/a	n/a		
M J Ilczynski	2015	824,583	6,587	30,417	27,211	427,500	510,698	1,826,996	49%	23%	28%		
	2014	726,520	6,894	25,000	14,995	307,440	384,710	1,465,559	53%	21%	26%		
J S Lenga	2015	872,798	6,911	30,321	11,206	450,000	1,275,261	2,646,497	35%	17%	48%		
	2014	871,312	7,218	25,000	19,005	367,920	553,645	1,844,100	50%	20%	30%		
J S Powell	2015	830,583	8,208	30,417	11,454	420,000	568,089	1,868,751	47%	22%	31%		
	2014	842,240	7,218	25,000	16,153	354,780	458,706	1,704,097	52%	21%	27%		
Total	2015	6,318,781	46,954	212,406	171,806	3,046,000	5,363,852	15,159,799					
	2014	5,922,352	47,850	178,527	102,208	2,641,102	3,677,669	12,569,708					

- Cash salary includes base salary and excess superannuation.
- Staff can elect to have super capped at \$30,000; any amount above this is included within "cash salary".
- Amounts disclosed reflect the expense for the Executives' Performance Right issues.
- Amounts disclosed reflect the value of remuneration consisting of options, based on the value of options expensed during the year. Negative amounts indicate expenses reversed during the year due to employee leaving SEEK.
- Fixed remuneration in FY2015 includes cash salary, non-monetary benefits, all superannuation benefits and long service leave.
- FY2015 variable Performance Rights reflects the proportion of remuneration expensed in the year relating to the Executives' Performance Right issue.
- David Gibbons resigned effective 8 August 2013.

Directors' Report

Remuneration Report continued

9. Equity instruments held by KMP

9.1 Options and Performance Rights holdings

The number of options and performance rights over ordinary shares in the Company held during the financial year by KMP, including their personally related parties, are set out below. The tables include one performance right granted to KMP each financial year. Performance rights with an effective date of 1 July 2013 vested on 1 July 2014 and converted to a number of ordinary shares. The performance rights with an effective date of 1 July 2014, vested on 1 July 2015. Refer to section 4.3 for further details.

2015	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Unvested options at the end of the year
Executive directors							
A R Bassat	3,138,600	514,286	(1,380,726)	-	2,272,160	-	2,272,160
Other key management personnel							
J A Armstrong	662,818	140,757	(176,001)	-	627,574	-	627,574
M F Callaghan	464,268	87,185	(143,412)	-	408,041	-	408,041
P D Everingham	812,146	163,866	(267,796)	-	708,216	-	708,216
M J Ilczynski	766,338	179,622	(212,376)	-	733,584	-	733,584
J S Lenga	1,412,229	189,076	(749,292)	-	852,013	-	852,013
J S Powell	922,954	176,471	(269,971)	-	829,454	-	829,454

2014	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year	Unvested options at the end of the year
Executive directors							
A R Bassat	4,178,672	672,349	(1,627,081)	(85,340)	3,138,600	416,660	2,721,940
Other key management personnel							
J A Armstrong	539,005	197,344	(61,031)	(12,500)	662,818	-	662,818
M F Callaghan	394,201	130,068	(49,801)	(10,200)	464,268	-	464,268
P D Everingham	598,705	220,667	(1)	(7,225)	812,146	35,275	776,871
D Gibbons	304,611	-	(1)	(304,610)	-	-	-
M J Ilczynski	573,929	232,910	(33,616)	(6,885)	766,338	-	766,338
J S Lenga	1,152,840	278,728	(1)	(19,338)	1,412,229	94,412	1,317,817
J S Powell	783,620	268,773	(107,435)	(22,004)	922,954	-	922,954

9.2 Share holdings - SEEK

The number of ordinary shares in the Company held during the financial year by each KMP, including their personally related parties, are set out below. No shares were granted during the reporting period as compensation.

2015 - SEEK Limited shares	Balance at the start of the year	Received during the year on exercise of options	Received during the year on exercise of perf rights	Purchase of shares	Sale of shares	Other changes during the year ⁽¹⁾	Balance at the end of the year
Non-executive directors							
N G Chatfield ⁽²⁾	43,157	-	-	4,000	(401)	(100)	46,656
C B Carter	94,458	-	-	-	(30,000)	-	64,458
D I Bradley	5,000	-	-	3,456	-	-	8,456
G B Goldsmith	35,000	-	-	10,000	-	-	45,000
J A Fahey	-	-	-	2,288	-	-	2,288
Executive directors							
A R Bassat	13,942,506	1,380,725	67,556	-	(1,400,000)	-	13,990,787
Other key management personnel							
J A Armstrong	28,298	176,000	19,833	-	(204,298)	-	19,833
M F Callaghan	35,556	143,411	13,073	-	(63,024)	58,540	187,556
P D Everingham	31,641	267,795	22,174	-	(299,436)	-	22,174
M J Ilczynski	46,762	212,375	23,405	-	(227,152)	-	55,390
J S Lenga	94,481	749,291	28,010	-	(725,000)	-	146,782
J S Powell	37,557	269,970	27,009	-	(307,527)	-	27,009

2014 - SEEK Limited shares	Balance at the start of the year	Received during the year on exercise of options	Received during the year on exercise of perf rights	Purchase of shares	Sale of shares	Other changes during the year	Balance at the end of the year
Non-executive directors							
N G Chatfield	43,157	-	-	-	-	-	43,157
C B Carter	94,458	-	-	-	-	-	94,458
D I Bradley	5,000	-	-	-	-	-	5,000
G B Goldsmith	35,000	-	-	-	-	-	35,000
Executive directors							
A R Bassat	13,309,325	1,627,080	106,101	-	(1,100,000)	-	13,942,506
Other key management personnel							
J A Armstrong	89,146	61,030	28,298	-	(150,176)	-	28,298
M F Callaghan	117,034	49,800	18,652	-	(149,930)	-	35,556
P D Everingham	-	-	31,641	-	-	-	31,641
D Gibbons	-	-	18,652	-	-	(18,652)	-
M J Ilczynski	14,777	33,615	31,385	-	(33,015)	-	46,762
J S Lenga	174,044	-	37,557	-	(117,120)	-	94,481
J S Powell	-	107,434	37,557	-	(107,434)	-	37,557

1. Adjustment to correct balance at the start of the year.

2. Neil Chatfield's sale of shares relates to 401 shares previously held by a related party.

Directors' Report

Remuneration Report continued

9. Equity instruments held by KMP continued

9.3 American Depository Shares (ADSs) holdings - Zhaopin Ltd

During 2015, a number of KMP held ADSs in SEEK's subsidiary Zhaopin Ltd. The table below details the number of ADSs held during FY2015 for each member of SEEK's KMP.

2015 - Zhaopin Ltd ADSs	Balance at the start of the year	Purchase of ADSs	Balance at the end of the year ⁽¹⁾
Non-executive directors			
N G Chatfield	-	-	-
C B Carter	-	4,250	4,250
D I Bradley	-	-	-
G B Goldsmith	18,000	-	18,000
J A Fahey	-	-	-
Executive directors			
A R Bassat	60,000	-	60,000
Other key management personnel			
J A Armstrong	-	-	-
M F Callaghan	3,600	-	3,600
P D Everingham	10,000	-	10,000
M J Ilczynski	2,500	-	2,500
J S Lenga	8,000	-	8,000
J S Powell	18,000	-	18,000

1. The balance at the date of the report is the same as the balance at the end of the year.

2014 - Zhaopin Ltd ADSs	Balance at the start of the year	Purchase of ADSs	Balance at the end of the year
Non-executive directors			
N G Chatfield	-	-	-
C B Carter	-	-	-
D I Bradley	-	-	-
G B Goldsmith	-	18,000	18,000
Executive directors			
A R Bassat	-	60,000	60,000
Other key management personnel			
J A Armstrong	-	-	-
M F Callaghan	-	3,600	3,600
P D Everingham	-	10,000	10,000
D Gibbons	-	-	-
M J Ilczynski	-	2,500	2,500
J S Lenga	-	8,000	8,000
J S Powell	-	18,000	18,000

10. Equity plans

10.1 Equity grants - vested during the year and outstanding at year end

The following table outlines the details of the equity grants that vested during the year and that are outstanding at the end of the year.

No options will vest if the performance conditions are not satisfied, hence the minimum value of the options yet to vest is nil. Fair value is calculated in accordance with the Group's accounting policy as discussed in note 30. There were no amounts paid and there were no amounts outstanding or due from KMP in relation to the grant of options during the year.

	Grant date	# of options and rights granted	Vest date	Exercise price	Value of options/ rights at grant date ⁽¹⁾	Vested %	Vested #	Forfeited / lapsed %	Value of lapsed awards at lapse date
A R Bassat	21 Nov 2011	964,065	1 Sep 2014	\$5.36	\$1,359,332	100%	964,065	0%	-
	3 Dec 2012	1,085,526	1 Jul 2015 ⁽²⁾	\$7.43	\$1,139,802	-	-	-	-
	4 Dec 2013	1	1 Jul 2014	\$0.00	\$887,500	100%	1	0%	-
	4 Dec 2013	672,348	1 Jul 2016	\$10.38	\$2,783,521	-	-	-	-
	12 Dec 2014	1	1 Jul 2015 ⁽²⁾	\$0.00	\$816,000	-	-	-	-
	12 Dec 2014	514,285	1 Jul 2017	\$19.04	\$1,229,141	-	-	-	-
	J A Armstrong	1 Sep 2011	176,000	1 Sep 2014	\$5.36	\$216,480	100%	176,000	0%
7 Sep 2012		289,474	1 Jul 2015 ⁽²⁾	\$7.43	\$272,106	-	-	-	-
6 Sep 2013		1	1 Jul 2014	\$0.00	\$260,494	100%	1	0%	-
6 Sep 2013		197,343	1 Jul 2016	\$10.38	\$550,587	-	-	-	-
6 Aug 2014		1	1 Jul 2015 ⁽²⁾	\$0.00	\$335,000	-	-	-	-
6 Aug 2014		140,756	1 Jul 2017	\$19.04	\$399,747	-	-	-	-
M F Callaghan		1 Sep 2011	143,411	1 Sep 2014	\$5.36	\$176,396	100%	143,411	0%
	7 Sep 2012	190,789	1 Jul 2015 ⁽²⁾	\$7.43	\$179,342	-	-	-	-
	6 Sep 2013	1	1 Jul 2014	\$0.00	\$171,689	100%	1	0%	-
	6 Sep 2013	130,067	1 Jul 2016	\$10.38	\$362,887	-	-	-	-
	6 Aug 2014	1	1 Jul 2015 ⁽²⁾	\$0.00	\$207,500	-	-	-	-
	6 Aug 2014	87,184	1 Jul 2017	\$19.04	\$247,603	-	-	-	-
	P D Everingham	1 Sep 2011	232,520	1 Sep 2014	\$5.36	\$286,000	100%	232,520	0%
7 Sep 2012		323,684	1 Jul 2015 ⁽²⁾	\$7.43	\$304,263	-	-	-	-
6 Sep 2013		1	1 Jul 2014	\$0.00	\$291,279	100%	1	0%	-
6 Sep 2013		220,666	1 Jul 2016	\$10.38	\$615,658	-	-	-	-
6 Aug 2014		1	1 Jul 2015 ⁽²⁾	\$0.00	\$390,000	-	-	-	-
6 Aug 2014		163,865	1 Jul 2017	\$19.04	\$465,377	-	-	-	-

1. For options, value is the fair value at grant. For performance rights, value is the allocated value of the performance right.

2. 100% vested on 1 July 2015.

Directors' Report

Remuneration Report continued

10. Equity plans continued

10.1 Equity grants - vested during the year and outstanding at year end continued

	Grant date	# of options and rights granted	Vest date	Exercise price	Value of options/ rights at grant date ⁽¹⁾	Vested %	Vested #	Forfeited / lapsed %	Value of lapsed awards at lapse date
M J Ilczynski	1 Sep 2011	212,375	1 Sep 2014	\$5.36	\$261,221	100%	212,375	0%	-
	7 Sep 2012	321,053	1 Jul 2015 ⁽²⁾	\$7.43	\$301,790	-	-	-	-
	6 Sep 2013	1	1 Jul 2014	\$0.00	\$307,440	100%	1	0%	-
	6 Sep 2013	232,909	1 Jul 2016	\$10.38	\$649,816	-	-	-	-
	6 Aug 2014	1	1 Jul 2015 ⁽²⁾	\$0.00	\$427,500	-	-	-	-
	6 Aug 2014	179,621	1 Jul 2017	\$19.04	\$510,124	-	-	-	-
J S Lenga	1 Sep 2011	254,878	1 Sep 2014	\$5.36	\$313,500	100%	254,878	0%	-
	1 Sep 2011	400,000	1 Sep 2014	\$5.36	\$292,000	100%	400,000	0%	-
	7 Sep 2012	384,211	1 Jul 2015 ⁽²⁾	\$7.43	\$361,158	-	-	-	-
	6 Sep 2013	1	1 Jul 2014	\$0.00	\$367,920	100%	1	0%	-
	6 Sep 2013	278,727	1 Jul 2016	\$10.38	\$777,648	-	-	-	-
	2 Jun 2014	750,000 ⁽³⁾	1 Jul 2017	US\$6.75	US\$2,158,618	-	-	-	-
	6 Aug 2014	1	1 Jul 2015 ⁽²⁾	\$0.00	\$450,000	-	-	-	-
	6 Aug 2014	189,075	1 Jul 2017	\$19.04	\$536,973	-	-	-	-
J S Powell	1 Sep 2011	269,970	1 Sep 2014	\$5.36	\$332,063	100%	269,970	0%	-
	7 Sep 2012	384,211	1 Jul 2015 ⁽²⁾	\$7.43	\$361,158	-	-	-	-
	6 Sep 2013	1	1 Jul 2014	\$0.00	\$354,780	100%	1	0%	-
	6 Sep 2013	268,772	1 Jul 2016	\$10.38	\$749,874	-	-	-	-
	6 Aug 2014	1	1 Jul 2015 ⁽²⁾	\$0.00	\$420,000	-	-	-	-
	6 Aug 2014	176,470	1 Jul 2017	\$19.04	\$501,175	-	-	-	-

1. For options, value is the fair value at grant. For performance rights, value is the allocated value of the performance right.

2. 100% vested on 1 July 2015.

3. Jason Lenga received a grant of 750,000 options in SEEK's subsidiary Zhaopin Ltd - more details of the grant are outlined in section 12 of 2014 Annual Report.

10.2 Shares under option

Unissued ordinary shares of SEEK under option at the date of this report are as follows:

Date granted	Expiry date	Exercise price of options	Number of options
Executive Director Options			
3 December 2012	1 July 2017	\$ 7.43	1,085,526
4 December 2013	1 July 2018	\$ 10.38	672,348
12 December 2014	1 July 2019	\$ 19.04	514,285
Options plans			
7 September 2012	1 July 2017	\$ 7.43	2,129,277
6 September 2013	1 July 2018	\$ 10.38	1,489,248
6 August 2014	1 July 2019	\$ 19.04	1,033,160
Total shares under option			6,923,844

11. Non-executive director fees

11.1 Fee policy

The following table outlines the non-executive director fee policy:

Aggregate non-executive director fee pool	<p>Non-executive directors' fees are determined within an aggregate directors' fee pool limit.</p> <p>The fee pool currently stands at \$1,500,000 per annum, covering all non-executive directors. The current fee pool was approved by shareholders at the 2013 AGM.</p>												
Non-executive director fees and fee reviews	<p>Fees and payments to non-executive directors are determined on an individual basis in accordance with demands that are made on, and the responsibilities of, the directors.</p> <p>Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee, and approved by the Board, to ensure fees are appropriately positioned against the market to attract and retain high calibre non-executive directors talent.</p> <p>In July 2014, independent remuneration consultants provided the Board with a comparative benchmarking analysis on director fees. The Board has determined that the appropriate benchmark for directors' fees is the 50th percentile. As a result, effective 1 July 2014, the following fee structure applied.</p> <p>There has been no change in fees since July 2014.</p> <table border="1"> <tr> <td>Non-executive directors</td> <td style="text-align: right;">\$150,000</td> </tr> <tr> <td colspan="2">Additional fees are paid for the following roles:</td> </tr> <tr> <td> Chairman of the Audit and Risk Management Committee</td> <td style="text-align: right;">\$27,250</td> </tr> <tr> <td> Chairman of the Remuneration Committee</td> <td style="text-align: right;">\$10,000</td> </tr> <tr> <td colspan="2">The Chairman's fees are determined as a separate exercise to those of other non-executive directors. The Chairman is not present at any discussions relating to determination of his own remuneration.</td> </tr> <tr> <td> Chairman of the Board</td> <td style="text-align: right;">\$390,000</td> </tr> </table>	Non-executive directors	\$150,000	Additional fees are paid for the following roles:		Chairman of the Audit and Risk Management Committee	\$27,250	Chairman of the Remuneration Committee	\$10,000	The Chairman's fees are determined as a separate exercise to those of other non-executive directors. The Chairman is not present at any discussions relating to determination of his own remuneration.		Chairman of the Board	\$390,000
Non-executive directors	\$150,000												
Additional fees are paid for the following roles:													
Chairman of the Audit and Risk Management Committee	\$27,250												
Chairman of the Remuneration Committee	\$10,000												
The Chairman's fees are determined as a separate exercise to those of other non-executive directors. The Chairman is not present at any discussions relating to determination of his own remuneration.													
Chairman of the Board	\$390,000												
Superannuation	<p>Included in the fees set out above, non-executive directors receive superannuation payments in accordance with statutory requirements, calculated as 9.5% from 1 July 2014. Superannuation is paid up to the maximum legal threshold, with the remainder paid in cash.</p>												
Non-executive director minimum shareholding requirement	<p>All non-executive directors are required to acquire over time a SEEK shareholding equivalent to one year of directors' fees (after tax). Non-executive directors are expected to hold 20% of their after tax annual fee in SEEK shares for each year of their directorship until the minimum shareholding requirement is achieved.</p>												
Performance-based remuneration	<p>Non-executive directors do not receive share options or any performance-based remuneration.</p>												
Non-executive director fees for international subsidiaries	<p>Zhaopin Ltd is a subsidiary entity based in China which listed on the New York Stock Exchange in June 2014. Consistent with international practice, Zhaopin's independent directors are paid director fees. The Zhaopin director fees paid in FY2015 in relation to SEEK's director are disclosed in the table of director fees in Section 11.2.</p>												

Directors' Report

Remuneration Report continued

11. Non-executive director fees continued

11.2 Fees for 2015 and 2014

Details of the nature and amount of each element of the remuneration of each non-executive director of the parent entity and the Group for the year ended 30 June 2015 and 2014 are set out in the following table:

		Short term benefits			Post-employment benefits	Total
		SEEK Ltd Director fees	Zhaopin Ltd Director fees	Non-monetary benefits	Superannuation	
		\$	\$	\$	\$	\$
N G Chatfield	2015	371,217	-	4,967	18,783	394,967
	2014	320,366	-	-	29,634	350,000
C B Carter	2015	146,119	-	-	13,881	160,000
	2014	132,723	-	-	12,277	145,000
D I Bradley	2015	136,986	-	-	13,014	150,000
	2014	123,570	-	-	11,430	135,000
G B Goldsmith	2015	161,872	119,940	4,967	15,378	302,157
	2014	148,513	4,449	-	13,737	166,699
J A Fahey ⁽¹⁾	2015	129,259	-	-	12,280	141,539
	2014	-	-	-	-	-
Total	2015	945,453	119,940	9,934	73,336	1,148,663
	2014	725,172	4,449	-	67,078	796,699

1. Julie Fahey was appointed as non-executive director on 23 July 2014.

12. LTI options granted to KMP in overseas subsidiaries

During FY2015, no options over ordinary shares in Zhaopin Ltd were issued.

Details on options issued in FY2014 to the Chairman of the Board of Zhaopin Ltd, were disclosed in the 2014 Annual Report.


13. Loans to KMP

There have been no loans to directors or executives during the financial year (2014: nil).

14. Other transactions with KMP

During the year there were no other transactions with key management personnel, apart from related party transactions disclosed in note 31.

This Directors' Report is made in accordance with a resolution of the directors.



Neil Chatfield
Chairman
Melbourne

29 September 2015

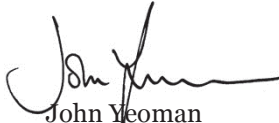


Auditor's Independence Declaration

As lead auditor for the audit of SEEK Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SEEK Limited and the entities it controlled during the period.


John Yeoman
Partner
PricewaterhouseCoopers

Melbourne
29 September 2015

PricewaterhouseCoopers, ABN 52 780 433 757

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Financial Report

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Consolidated income statement for the year ended 30 June 2015

	Notes	2015 \$m	2014 \$m
Revenue from continuing operations	3	872.5	724.2
Other income	4	100.3	-
Operating expenses			
Direct cost of services		(29.2)	(29.2)
Sales and marketing		(288.0)	(230.9)
Business development		(71.9)	(55.3)
Operations and administration		(190.8)	(144.9)
Finance costs	5	(30.7)	(30.8)
Total operating expenses		(610.6)	(491.1)
Share of results of equity accounted investments	24(b)	21.7	18.7
Profit before income tax expense from continuing operations		383.9	251.8
Income tax expense	7(a)	(68.7)	(53.4)
Profit from continuing operations		315.2	198.4
Profit from discontinued operation		-	25.0
Profit for the year		315.2	223.4
Profit is attributable to:			
Owners of SEEK Limited		281.2	195.6
Non-controlling interests	19	34.0	27.8
		315.2	223.4
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic earnings per share	6	82.1	50.4
Diluted earnings per share	6	79.9	49.6
Earnings per share for total Group profit attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic earnings per share	6	82.1	57.7
Diluted earnings per share	6	79.9	56.8

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income for the year ended 30 June 2015

	Notes	2015 \$m	2014 \$m
Profit for the year		315.2	223.4
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign controlled operations	19	206.0	(43.8)
Exchange differences on translation of foreign associates	19	2.1	(4.6)
(Losses)/gains on hedge contracts of controlled entities	19	(62.0)	6.8
Gains/(losses) on hedge contracts of associates (net of tax)	19	1.6	(1.0)
Recycled foreign currency translation reserve on step acquisition	19	0.5	-
Income tax recognised in other comprehensive income	7(b)	2.9	15.3
Items that will never be reclassified to profit or loss:			
Change in fair value of financial assets	12(b)	4.9	-
Other comprehensive income for the year		156.0	(27.3)
Total comprehensive income for the year for SEEK Limited		471.2	196.1
Total comprehensive income for the year attributable to:			
Owners of SEEK Limited		368.3	177.3
Non-controlling interests	19	102.9	18.8
		471.2	196.1
Total comprehensive income for the year attributable to owners of SEEK Limited arises from:			
Continuing operations		368.3	152.6
Discontinued operation		-	24.7
		368.3	177.3

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

as at 30 June 2015

	Notes	2015 \$m	2014 \$m
Current assets			
Cash and cash equivalents	8	449.6	323.0
Trade and other receivables	11	120.2	96.5
Other current financial assets	12(a)	63.1	26.6
Current tax assets		9.3	-
Total current assets		642.2	446.1
Non-current assets			
Investments accounted for using the equity method	24	132.4	153.1
Plant and equipment		28.1	20.7
Intangible assets	13	2,409.6	1,513.9
Other non-current financial assets	12(b)	64.6	62.7
Deferred tax assets	7(c)	24.2	35.7
Total non-current assets		2,658.9	1,786.1
Total assets		3,301.1	2,232.2
Current liabilities			
Trade and other payables		116.9	84.9
Current borrowings	15(a)	214.9	22.2
Unearned income		204.3	128.2
Other financial liabilities	16	10.0	8.2
Current tax liabilities		17.1	18.2
Current provisions	17(a)	36.2	23.1
Total current liabilities		599.4	284.8
Non-current liabilities			
Non-current borrowings	15(b)	769.3	379.8
Deferred tax liabilities	7(c)	105.2	75.6
Non-current provisions	17(b)	26.3	23.4
Total non-current liabilities		900.8	478.8
Total liabilities		1,500.2	763.6
Net assets		1,800.9	1,468.6
Equity			
Contributed equity	18	222.9	203.7
Reserves	19	114.9	73.8
Retained profits	19	796.5	624.9
Non-controlling interests	19	666.6	566.2
Total equity		1,800.9	1,468.6

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2015

	Notes	Contributed equity \$m	Reserves \$m	Retained profits \$m	Total \$m	Non-controlling interests \$m	Total \$m
Balance at 1 July 2013		188.5	75.0	513.5	777.0	519.6	1,296.6
Profit for the year		-	-	195.6	195.6	27.8	223.4
Other comprehensive income		-	(18.3)	-	(18.3)	(9.0)	(27.3)
Total comprehensive income for the year		-	(18.3)	195.6	177.3	18.8	196.1

Transactions with owners in their capacity as owners:

Contributions of equity, net of transaction costs and tax	18(b)	14.2	-	-	14.2	-	14.2
Dividends provided for or paid		-	-	(88.4)	(88.4)	(29.7)	(118.1)
Employee share option scheme of parent		-	8.1	-	8.1	-	8.1
Employee share option scheme of subsidiary		-	5.8	-	5.8	-	5.8
Tax associated with employee share schemes	7(b)	-	(4.2)	4.2	-	-	-
Exercise of share options in subsidiary		-	1.1	-	1.1	0.3	1.4
Transfer of non wholly-owned subsidiary under common control		-	(1.0)	-	(1.0)	-	(1.0)
Initial public offering of Zhaopin		-	9.6	-	9.6	75.6	85.2
Disposal of THINK		-	-	-	-	(18.2)	(18.2)
Transfer of reserves		1.0	(0.8)	-	0.2	(0.2)	-
Share of reserve movement of associates		-	(1.5)	-	(1.5)	-	(1.5)
Balance at 30 June 2014		203.7	73.8	624.9	902.4	566.2	1,468.6

Profit for the year	-	-	281.2	281.2	34.0	315.2
Other comprehensive income	-	87.1	-	87.1	68.9	156.0
Total comprehensive income for the year	-	87.1	281.2	368.3	102.9	471.2

Transactions with owners in their capacity as owners:

Contributions of equity, net of transaction costs and tax	18(b)	19.2	-	-	19.2	-	19.2
Dividends provided for or paid		-	-	(120.2)	(120.2)	(24.7)	(144.9)
Employee share option scheme of parent		-	10.3	-	10.3	-	10.3
Employee share option scheme of subsidiary		-	2.7	-	2.7	1.8	4.5
Exercise of share options in subsidiary		-	(8.6)	-	(8.6)	40.3	31.7
Tax associated with employee share schemes	7(b)	-	(10.6)	10.6	-	-	-
Change in ownership of subsidiaries	19(a)	-	(37.5)	-	(37.5)	(22.8)	(60.3)
Transfer of reserves		-	(2.9)	-	(2.9)	2.9	-
Share of reserve movement of associates		-	0.6	-	0.6	-	0.6
Balance at 30 June 2015		222.9	114.9	796.5	1,134.3	666.6	1,800.9

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2015

	Notes	2015 \$m	2014 \$m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		924.7	748.2
Payments to suppliers and employees (inclusive of goods and services tax)		(534.8)	(438.0)
		389.9	310.2
Interest received		12.9	10.9
Interest paid		(23.1)	(19.4)
Transaction costs		(16.2)	(2.4)
Income taxes paid		(82.1)	(73.1)
Tax refund received		-	4.1
Cash inflow from operating activities attributable to discontinued operation		-	4.5
Net cash inflow from operating activities	9	281.4	234.8
Cash flows from investing activities			
Proceeds from disposal of discontinued operation, net of cash disposed		-	92.4
Payments for acquisition of subsidiary, net of cash acquired		(512.9)	(5.0)
Dividends and distributions received from associates	24(b)	29.0	20.1
Dividends received from financial assets		0.9	-
Payment for additional interest in associate		(6.4)	(9.4)
Payment for investment in associates and joint ventures		(17.7)	-
Payments for intangible assets		(40.1)	(29.8)
Payments for plant and equipment		(16.6)	(11.8)
Cash outflow from investing activities attributable to discontinued operation		-	(3.3)
Net cash (outflow)/inflow from investing activities		(563.8)	53.2
Cash flows from financing activities			
Proceeds from borrowings		628.8	131.0
Repayment of borrowings		(119.7)	(211.9)
Transaction costs on establishment of debt facilities		(6.0)	(2.7)
Proceeds from Zhaopin IPO		-	93.0
Exercise of Zhaopin underwriter's option		11.9	-
Transaction costs relating to Zhaopin IPO		-	(9.5)
Cash released from deposits to support entrusted loan facilities		27.2	25.5
Cash placed on deposit to support entrusted loan facilities		(15.3)	(29.0)
Proceeds from issues of shares	18	19.2	14.2
Proceeds from share options in subsidiaries		18.2	1.4
Dividends paid to members of the parent	20	(120.2)	(88.4)
Dividends paid to non-controlling interests	23(b)	(24.7)	(29.7)
Payment for additional interest in subsidiary		(157.7)	(36.1)
Contributions from non-controlling interests		100.1	-
Payment for other financing arrangements		(16.7)	(0.8)
Net cash inflow/(outflow) from financing activities		345.1	(143.0)
Net increase/(decrease) in cash and cash equivalents		62.7	145.0
Cash and cash equivalents at the beginning of the financial year		323.0	184.8
Effect of exchange rate changes on cash and cash equivalents		63.9	(6.8)
Cash and cash equivalents at the end of the financial year	8	449.6	323.0

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2015

1. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. SEEK Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are for the consolidated entity consisting of SEEK Limited and its subsidiaries.

(i) Compliance with IFRS

The consolidated financial statements of SEEK Limited Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

(iii) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes.

(iv) Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in the relevant notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

(v) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

2. Segment information

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Segment EBITDA is the measure utilised by the CODM to measure the businesses' profitability. Segment EBITDA is earnings before interest, tax, depreciation and amortisation and excludes share of results of equity accounted investments, amortisation of share-based payments and long-term incentives, gains/losses on investing activities, and other non-operating gains/losses.

Segment revenue, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, other financial assets, plant and equipment, goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributed to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates and usage. Segment liabilities consist primarily of trade and other creditors, other financial liabilities and employee entitlements.

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's length" basis and are eliminated on consolidation. The amounts provided to the CODM with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. Assets and liabilities are allocated based on the operations of the segment.

(a) Description of segments

In March 2015, SEEK's CEO announced a realignment of portfolios within the Executive leadership team:

- Michael Ilczynski is taking the role of MD SEEK Employment. He will lead SEEK Employment in Australia and New Zealand, including responsibility for Sales, Marketing, IT, Product, Strategy, Development and Delivery.
- Joe Powell is taking the role of MD SEEK Education and will have responsibility for the growing education portfolio including SEEK Learning, IDP, Swinburne Online and international expansion opportunities.

In addition, three new Executives were appointed, effective from March 2015 - Ronnie Fink (Corporate Development Director, driving SEEK's acquisition activity), Simon Lusted (Group Strategy Director, driving the employment strategy across all markets) and Isar Mazer (MD International Operations, driving operational cooperation with the international business as well as the Latin American businesses).

As a consequence of the above changes, and considering the high degree of integration that has been achieved between the JobStreet and JobsDB businesses, leading to consolidated SEEK Asia reporting, segment reporting has been rearranged for FY2015. Comparative information has been restated to be presented on the same basis.

The Group reports its business through two business divisions: Domestic and International.

- The Domestic business now comprises four operating segments:
 - Core Employment; operates online employment marketplace services through the SEEK website. It sells these services in Australia and New Zealand;
 - Early Stage Employment; comprises a portfolio of small investments that provide products and services which sit 'adjacent' to the core online employment marketplace of SEEK Employment, including Jora (formerly known as JobSeeker) and share of profits/(losses) from other immaterial investments;
 - SEEK Learning; markets, sells and distributes (predominantly through online channels) education courses in Australia. These courses are developed and delivered by outside providers;
 - Education Other; comprises other costs associated with managing and setting the strategic direction of SEEK's Education businesses, as well as SEEK's share of profits/(losses) from IDP and Swinburne Online.
- The International business comprises the following operating segments being controlling interests in:
 - SEEK Asia (operating in seven countries across South East Asia and includes the consolidated results of JobStreet and JobsDB);
 - Zhaopin (operating in China);
 - Brasil Online (operating in Brazil); and
 - OCC (operating in Mexico).

as well as "International other", which comprises other operating costs associated with managing the international businesses, including interests in International associates One Africa Media (based in seven countries across Africa), Babajob (based in India) and other immaterial investments. International other also included the equity accounted investment JCB (based in Malaysia) until the cessation of equity accounting described in note 21.

Notes to the Financial Statements

for the year ended 30 June 2015

2. Segment information continued (b) Segment information provided to the CODM

30 June 2015

	Domestic						International				Continuing Operations	
	Notes	Core Employment \$m	Early Stage Employment \$m	SEEK Learning \$m	SEEK Education Other \$m	Total \$m	SEEK Asia \$m	Zhaopin \$m	Brasil Online \$m	OCC \$m		Int'l Other \$m
Revenue												
Sales revenue from external customers		273.2	2.7	81.2	-	357.1	104.7	252.8	119.3	24.5	-	501.3
Total sales revenue		273.2	2.7	81.2	-	357.1	104.7	252.8	119.3	24.5	-	501.3
Dividend income	3											1.2
Interest income	3											12.9
Consolidated revenue	3											872.5
Segment EBITDA												
Depreciation		154.2	(0.6)	32.5	(1.7)	184.4	49.1	67.0	43.7	7.8	(3.1)	164.5
Amortisation	13	(2.2)	-	(1.2)	-	(3.4)	(1.7)	(4.6)	(1.3)	(0.8)	-	(8.4)
Share of net profits/(losses) of equity accounted investments		(10.7)	(1.3)	(0.7)	-	(12.7)	(9.6)	(6.4)	(1.0)	(1.7)	-	(18.7)
Fair value gains on step acquisitions	24	-	(0.3)	-	25.7	25.4	-	-	-	-	(3.7)	(3.7)
Transaction costs from investing activities		-	-	-	-	-	100.3	-	-	-	-	100.3
Other investing activities		-	-	-	-	-	(14.0)	-	-	-	-	(14.0)
Unallocated:											4.9	4.7
Amortisation of share-based payments and other long term incentive schemes												(18.7)
Dividend income												1.2
Interest income												12.9
Interest expense												(29.9)
Profit before income tax expense												383.9

(b) Segment information provided to the CODM continued

30 June 2014
Restated

	Notes	Domestic					International			Total \$m	Continuing Operations \$m		
		Core Employment \$m	Early Stage Employment \$m	SEEK Learning \$m	Education Other \$m	Total \$m	SEEK Asia \$m	Zhaopin \$m	Brasil Online \$m			OCC \$m	Int'l Other \$m
Revenue													
Sales revenue from external customers		240.3	0.9	85.6	-	326.8	59.4	183.9	118.8	22.3	-	384.4	711.2
Inter-segment sales revenue ⁽¹⁾		-	-	2.1	-	2.1	-	-	-	-	-	-	2.1
Total sales revenue	3	240.3	0.9	87.7	-	2.1	59.4	183.9	118.8	22.3	-	-	713.3
Interest income	3												10.9
Consolidated revenue	3												724.2
Segment EBITDA													
Depreciation		145.7	(1.1)	46.7	(0.7)	190.6	21.3	52.4	39.3	9.8	(9.5)	113.3	303.9
Amortisation	13	(1.6)	-	(1.1)	-	(2.7)	-	(3.8)	(0.8)	(0.5)	-	(6.1)	(8.8)
Share of net profits/(losses) of equity accounted investments		(8.2)	(0.4)	(0.6)	-	(9.2)	(6.3)	(6.4)	(1.3)	(1.8)	-	(15.8)	(25.0)
Dilution of investments in associates		-	(0.2)	-	20.4	20.2	-	-	-	-	3.9	3.9	24.1
Transaction costs from investing activities		-	-	-	-	-	-	-	-	-	(5.4)	(5.4)	(5.4)
Other investing activities		-	-	(0.3)	-	(0.3)	(2.2)	(0.8)	-	-	-	(3.0)	(3.0)
Unallocated:								1.2	-	-	-	1.2	0.9
Amortisation of share-based payments and other long term incentive schemes													(18.1)
Interest income													10.9
Interest expense													(27.7)
Profit before income tax expense													251.8

1. Inter-segment revenue includes intercompany sales elimination of \$2.1m (2013: \$3.9m) for sales made by SEEK Learning to THINK Education Group, which is eliminated within discontinued operations.

Notes to the Financial Statements

for the year ended 30 June 2015

2. Segment information continued

(c) Balance Sheet information

	30 June 2015							Continuing Operations			
	Domestic				International						
Notes	Core Employment \$m	Early Stage Employment \$m	SEEK Learning \$m	SEEK Education Other \$m	Total \$m	SEEK Asia \$m	Zhaopin \$m	Brasil Online \$m	OCC \$m	Int'l Other \$m	Total \$m
Assets											
Total segment assets	139.3	13.2	28.2	81.2	261.9	1,216.4	1,151.9	378.2	191.0	68.2	3,005.7
<i>Unallocated:</i>											
Deferred tax assets											24.2
Current tax assets											9.3
Total assets											3,301.1
Total assets include:											
Additions to non-current assets (other than financial assets and deferred tax)	36.2	3.1	2.1	-	41.4	2.0	6.4	5.1	2.0	-	15.5
Carrying value of investments in associates and jointly controlled entity	-	4.7	-	81.2	85.9	-	-	-	-	46.5	46.5
Liabilities											
Total segment liabilities	(54.7)	(1.0)	(10.2)	(0.3)	(66.2)	(64.1)	(205.1)	(35.0)	(14.3)	(9.0)	(327.5)
<i>Unallocated:</i>											
Current borrowings											(214.9)
Non-current borrowings											(769.3)
Current tax liabilities											(17.1)
Deferred tax liabilities											(105.2)
Total liabilities											(1,500.2)

(c) Balance Sheet information continued

	Notes	Domestic					International			Continuing Operations	
		Core Employment \$m	Early Stage Employment \$m	SEEK Learning \$m	SEEK Asia \$m	Zhaopin \$m	Brasil Online \$m	OCC \$m	Int'l Other \$m		Total \$m
Total segment assets		139.9	8.7	35.7	390.4	860.1	425.8	185.1	70.4	1,931.8	2,196.5
<i>Unallocated:</i>											
Deferred tax assets	7(c)										35.7
Current tax assets											-
Total assets											2,232.2
Total assets include:											
Additions to non-current assets (other than financial assets and deferred tax)		27.2	-	0.5	3.1	7.3	3.1	0.7	-	14.2	41.9
Carrying value of investments in associates and jointly controlled entity	24(b)	-	3.4	-	-	-	-	-	69.3	69.3	153.1
Liabilities											
Total segment liabilities		(47.0)	(1.4)	(6.5)	(22.6)	(134.9)	(41.5)	(9.9)	(4.0)	(212.9)	(267.8)
<i>Unallocated:</i>											
Current borrowings	15(a)										(22.2)
Non-current borrowings	15(b)										(379.8)
Current tax liabilities											(18.2)
Deferred tax liabilities	7(c)										(75.6)
Total liabilities											(763.6)

Notes to the Financial Statements

for the year ended 30 June 2015

2. Segment information continued

(d) Geographical information

In presenting information on the basis of geographical segments, segment revenue from continuing operations is based on the geographical location of the customers. Segment assets are based on the geographical location of the assets.

	2015		2014 - Restated*	
	Revenue ⁽¹⁾ \$m	Non-current assets ⁽²⁾ \$m	Revenue ⁽¹⁾ \$m	Non-current assets ⁽²⁾ \$m
Australia	329.6	156.9	304.7	129.8
New Zealand	27.1	5.5	23.9	5.7
Brazil	119.3	342.8	118.8	392.8
Mexico	24.5	169.5	22.3	168.3
China	252.8	753.2	192.5	641.4
Hong Kong	36.3	2.1	28.4	1.7
Malaysia	22.1	20.1	0.6	46.1
Singapore	16.8	1.4	7.2	0.2
Thailand	10.3	0.3	8.5	0.2
Philippines	13.7	0.6	2.9	0.1
South East Asia Unallocated ⁽³⁾	-	1,135.2	-	340.5
Africa	-	23.1	-	17.5
India	-	13.0	-	-
Rest of the world	5.9	11.0	3.5	6.1
Total allocated	858.4	2,634.7	713.3	1,750.4
Unallocated:				
Dividend income	1.2		-	
Interest income	12.9		10.9	
Deferred tax assets		24.2		35.7
Total	872.5	2,658.9	724.2	1,786.1

1. Amounts allocated represent sales revenue from external customers.

2. Amounts allocated represent all non-current assets excluding deferred tax assets.

3. Non-current assets presented as South East Asia Unallocated represents goodwill and other intangible assets assumed as part of the JobsDB and JobStreet acquisitions, which is consistent with the approach for impairment testing (refer to note 13).

* 2014 results have been restated to reflect changes to 2015 geographical segments following the completion of the JobStreet acquisition.

3. Revenue

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Job advertisements

Revenues from the provision of job advertisements are recognised in the period over which the advertisements are placed.

(ii) Banner advertising

Revenues from banner advertising on the Group's websites are generated based on a fixed price which is based on the impressions each banner receives. These revenues are recognised in the period that the impressions occur.

(iii) CV online revenue

Revenue from services provided to jobseekers through CV online is recognised over the service period.

(iv) Offline employment services

Revenue from offline employment services (such as campus recruitment services, assessment services and other human resources related services) is recognised upon delivery of the completion report or when the service performance is complete.

(v) Education: commission revenue

Commission revenue is recognised when the customer obtains unconditional access to the course material or when revenue can be reliably estimated. Revenue that relates to agency relationships is recognised on a net basis.

(vi) Education: classroom-based training

Revenues from classroom-based training are recognised from course commencement and brought to account on a pro-rata basis over the duration of the relevant teaching period.

(vii) Dividend income

Dividends are recognised as revenue when the right to receive payment is established. Dividend income from subsidiaries is eliminated on consolidation. Dividend income from equity accounted investments is shown as a reduction in the carrying amount of the investment. Dividend income from investments that are neither consolidated nor equity accounted are included in revenue in the income statement.

(viii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(ix) Royalty income

Royalty income relates to intercompany charges for the use of intellectual property. It is recognised on an accruals basis and is reviewed annually.

	Notes	2015 \$m	2014 - Restated* \$m
Sales revenue			
Employment - job and banner advertising		273.2	240.3
Early stage employment - job and banner advertising		2.7	0.9
International - job, banner advertising and CV online		501.3	384.4
Learning - commission revenue		81.2	84.7
Learning - classroom-based training		-	3.0
Total sales revenue from continuing operations		858.4	713.3
Other revenue			
Dividend income		1.2	-
Interest income		12.9	10.9
Total revenue from continuing operations		872.5	724.2

* 2014 results have been restated to reflect changes to the Group's operating segments which occurred during 2015, refer to note 2 for details.

Notes to the Financial Statements

for the year ended 30 June 2015

4. Other income

	Notes	2015 \$m	2014 \$m
Fair value gain on step acquisitions	21(c)	100.3	-

5. Expenses

Profit before income tax expense from continuing operations includes the following specific net losses and expenses:

	Notes	2015 \$m	2014 \$m
Specific costs included within 'operations and administration'			
Depreciation of plant and equipment	2(b)	11.8	8.8
Amortisation of intangible assets	2(b)	31.4	25.0
Rental expenses relating to operating leases:			
Minimum lease payments		20.5	18.6
Net foreign exchange (gains)/losses recognised in profit before income tax expense		(8.8)	3.0
Transaction costs from investing activities		14.0	3.0
Finance costs			
Interest expense		29.9	27.6
Interest unwound on put option		-	0.1
Total interest expense		29.9	27.7
Other finance charges paid/payable		0.8	3.1
Total finance costs		30.7	30.8
Employee benefits			
Salary costs		262.0	186.2
Share-based payments and other long-term incentives		18.7	18.1
Superannuation costs and other pension related costs		22.4	19.3
Total employee benefits		303.1	223.6

6. Earnings per share

Accounting Policy

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and including treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares;
- the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares; and
- the after income tax effect of subsidiary option plans which would dilute SEEK's ownership in controlled subsidiaries.

	2015 Cents per share		2014 Cents per share	
	Basic	Diluted	Basic	Diluted
EPS attributable to the ordinary equity holders of the Company:				
From continuing operations	82.1	79.9	50.4	49.6
From discontinued operation	-	-	7.3	7.2
Earnings per share from profit for the year	82.1	79.9	57.7	56.8

(i) Weighted average number of shares used as the denominator

	2015 number	2014 number
Weighted average number of shares used as denominator in calculating basic EPS	342,571,482	339,348,510
Weighted average of potential dilutive ordinary shares:		
- options	3,565,118	4,304,618
- performance rights	405,731	714,570
Weighted average number of shares used as the denominator in calculating diluted EPS	346,542,331	344,367,698

The weighted average of potential dilutive ordinary shares excludes 1,217,614 options (2014: nil) which are considered antidilutive.

(ii) Reconciliation of earnings used in calculating earnings per share

	2015		2014	
	Basic \$m	Diluted \$m	Basic \$m	Diluted \$m
Profit attributable to the ordinary equity holders of the company:				
From continuing operations	281.2	281.2	170.9	170.9
Potential dilutive adjustment for subsidiary option plans	-	(4.3)	-	-
Adjusted profit from continuing operations	281.2	276.9	170.9	170.9
From discontinued operation	-	-	24.7	24.7
Adjusted profit for the year	281.2	276.9	195.6	195.6

Notes to the Financial Statements

for the year ended 30 June 2015

7. Income tax

Critical accounting estimates and assumptions

The Group is subject to income taxes (and other similar taxes) in Australia and in a number of overseas jurisdictions. Judgement is required in determining the Group provision for income taxes.

Uncertain tax positions

There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on its current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the future period in which such determination is made.

Research and development claim

The research and development claim available to the Company is estimated in the accounts because a full assessment of the position cannot be made by the year end. It is the policy of the Company to only bring to account that preliminary portion of expenses that is reasonably expected to be claimable at period end.

Tax rate applicable to Group's People's Republic of China (PRC) entities

The PRC Enterprise Income Tax Law (the "EIT Law") applies an income tax rate of 25% to all enterprises but grants preferential tax treatment to High and New Technology Enterprises (HNTEs). Under this preferential tax treatment, HNTEs can enjoy a preferential income tax rate of 15% for three years, but need to reapply after the end of the three-year period.

Except for Beijing Wangpin (a PRC entity controlled by Zhaopin Ltd), all of the Group's PRC entities are subject to EIT at a rate of 25%. Beijing Wangpin qualifies as an HNTE and therefore is entitled to enjoy a preferential income tax rate of 15% from 1 January 2014 to 31 December 2016. Deferred tax as of 30 June 2015 and EIT expense for the twelve months then ended were calculated at a rate of 15% accordingly.

(a) Income tax expense

Accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

Australian income tax consolidation legislation

SEEK Limited and its wholly-owned Australian entities elected to form an income tax consolidated group as of 1 July 2004. On adoption of the income tax consolidation legislation, the entities in the income tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the entities' joint and several liability in the case of an income tax payment default by the head entity, SEEK Limited.

The entities have also entered into a tax funding agreement under which the entities fully compensate SEEK Limited for any current income tax payable assumed and are compensated by SEEK Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SEEK Limited under the income tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay income tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

	Notes	2015 \$m	2014 \$m
Current tax		69.9	63.3
Deferred tax		(1.9)	(3.1)
Tax refund from prior years		-	(3.9)
Under/(over) provision in prior years		0.7	(0.6)
Income tax expense		68.7	55.7
Deferred income tax expense included in income tax expense comprises:			
Decrease/(increase) in deferred tax assets		0.9	(0.1)
(Decrease) in deferred tax liability		(2.8)	(3.0)
		(1.9)	(3.1)

	Notes	2015 \$m	2014 \$m
Income tax expense is attributable to:			
Continuing operations		68.7	53.4
Discontinued operation		-	2.3
Total income tax expense		68.7	55.7

Numerical reconciliation of income tax expense to prima facie tax payable

	2015 \$m	2014 \$m
Profit from ordinary activities before income tax expense		
Continuing operations	383.9	251.8
Discontinued operation	-	27.3
	383.9	279.1
Income tax calculated @ 30% (2014: 30%)	115.2	83.7
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Fair value gains on step acquisitions	(30.1)	-
Adjustment to acquisition tax provisions	(0.4)	(4.5)
Foreign subsidiary losses not recognised in the Group	1.1	0.9
Research and development claim	(4.4)	(2.3)
Non-taxable gain on disposal of subsidiary	-	(6.3)
Interest on equity deduction	(0.1)	(0.5)
Tax effect on share of net profits of associates and joint ventures	(6.5)	(5.6)
Tax deductible goodwill	(3.8)	(2.2)
Taxable unfranked dividend	2.0	-
Non-deductible/(non-assessable) items:		
Legal fees and acquisition costs	5.5	1.3
Share-based payments	0.9	1.1
Financing activities	(0.6)	-
Other	0.6	0.4
	79.4	66.0
Income tax adjusted for permanent differences:		
Effect of movements in foreign exchange	(0.6)	(0.1)
Effect of different rates of tax on overseas income	(10.8)	(5.7)
Tax refund from prior years	-	(3.9)
Under/(over) provision in prior year	0.7	(0.6)
Income tax expense attributable to profit from ordinary activities	68.7	55.7

Notes to the Financial Statements

for the year ended 30 June 2015

7. Income tax continued

(b) Amounts recognised directly in equity

Tax expense relating to items of other comprehensive income:

	Notes	2015 \$m	2014 \$m
Deferred tax debited directly to hedge reserve		(2.6)	-
Deferred tax credit in relation to share-based payment schemes	19	2.9	15.3
		0.3	15.3

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:

	Notes	2015 \$m	2014 \$m
Current tax credited directly to retained profits			
New issue of shares		10.6	4.2
	19	10.6	4.2

(c) Deferred taxes

Accounting policy

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Potential deferred tax liability on undistributed profits of subsidiaries, associates and joint ventures

When the Group does not recognise deferred tax liabilities in relation to undistributed profits of its subsidiaries, associates or joint ventures, this is on the basis that either the distribution of those profits would not give rise to a tax liability or the directors consider they have the ability to control the timing of the reversal of the temporary differences.

(i) Deferred tax assets

	Notes	2015 \$m	2014 \$m
Movements:			
Opening balance at 1 July		35.7	30.4
(Debited)/credited to the consolidated income statement		(0.9)	0.1
(Debited)/credited to equity		(10.3)	11.1
Exchange differences		(0.1)	(0.4)
Acquisition of subsidiary	21	2.2	-
Disposal of subsidiary	22	-	(4.7)
(Over) provision in prior year		(2.4)	(0.8)
Closing balance at 30 June		24.2	35.7
Deferred tax assets to be recovered within 12 months		13.7	11.6
Deferred tax assets to be recovered after more than 12 months		10.5	24.1
Closing balance at 30 June		24.2	35.7

The balance comprises temporary differences attributable to:

	2015 \$m	2014 \$m
Amounts recognised in profit or loss:		
Provision for impairment of trade receivables	0.6	0.8
Unearned income	4.8	2.1
Employee benefits	6.0	4.3
Provision for credit notes	0.2	0.2
Fringe benefits tax	-	0.1
Share-based payments	5.3	6.6
Other provisions	7.5	5.7
Plant and equipment and intangible assets	3.3	4.0
Goodwill	3.2	2.2
Foreign exchange gains	0.2	1.1
Legal and acquisition costs	0.2	0.5
Research and development tax offset	(10.4)	(5.4)
	20.9	22.2
Amounts recognised directly in equity:		
Share-based payments	5.9	13.5
Cash flow hedge reserve	(2.6)	-
Net deferred tax assets	24.2	35.7

(ii) Deferred tax liabilities

	Notes	2015 \$m	2014 \$m
Movements:			
Opening balance at 1 July		75.6	85.5
Credited to the consolidated income statement		(2.8)	(3.0)
Acquisition of subsidiaries ⁽¹⁾	21	23.7	1.1
Disposal of subsidiaries		-	(5.4)
Exchange differences		8.7	(2.6)
Closing balance at 30 June		105.2	75.6
Deferred tax liabilities expected to be settled within 12 months		3.2	1.2
Deferred tax liabilities expected to be settled after more than 12 months		102.0	74.4
Closing balance at 30 June		105.2	75.6
The balance comprises temporary differences attributable to:			
Intangible assets		101.3	73.6
Withholding tax on undistributed profits		3.5	1.8
Other items		0.4	0.2
Net deferred tax liabilities		105.2	75.6

1. Acquisition of subsidiaries in 2015 relates to JobStreet (2014: Jora).

Notes to the Financial Statements

for the year ended 30 June 2015

8. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2015 \$m	2014 \$m
Cash at bank and on hand	423.3	288.8
Short-term investments	26.3	34.2
	449.6	323.0

(a) Restricted cash in the People's Republic of China

Cash and bank balance as at 30 June 2015 includes restricted cash of RMB 43.5m (A\$9.2m) held by some subsidiaries in the People's Republic of China (2014: A\$7.9m) which can be used in the People's Republic of China, but is not freely convertible into other currencies for transfer around the Group.

(b) Short-term investments

Short-term investments comprise mainly bank deposits, debentures and fixed income funds held by subsidiaries of SEEK's controlled entities Brasil Online and OCC. These highly liquid deposits and investments are readily convertible into known cash amounts and are subject to insignificant risk of changes of value.

9. Reconciliation of profit for the year to net cash inflow from operating activities

	Notes	2015 \$m	2014 \$m
Profit for the year		315.2	223.4
Non-cash items			
Depreciation and amortisation		43.2	36.8
Amortisation of share-based payments		13.0	13.9
Unrealised exchange (gains)/losses		(4.0)	0.7
Amortisation of debt transaction costs		1.7	3.5
Amortisation of other financing arrangements		0.9	1.8
Aggregated tax amounts arising in the reporting period recognised directly in equity		7.7	(11.1)
Share of results of equity accounted investments		(21.7)	(18.7)
Items relating to step acquisitions			
Fair value (gains) on step acquisitions	21	(100.3)	-
Classified as financing and investing activities			
Transaction costs expensed relating to financing activities		-	1.0
Settlement of non-operating hedge		14.9	-
Change in operating assets and liabilities:			
(Increase) in trade and other receivables		(19.0)	(22.8)
(Increase) in other financial assets		(24.2)	(2.1)
Decrease/(increase) in deferred tax assets		13.7	(10.1)
(Increase)/decrease in current tax assets		(9.3)	0.1
Increase in trade and other payables		28.0	14.8
Increase in deferred income		57.9	9.9
(Decrease) in current tax liability		(2.9)	(3.8)
Increase/(decrease) in provisions		7.2	(6.5)
Increase/(decrease) in deferred tax liability		5.9	(4.9)
Increase in other financial liabilities		4.5	0.1
Exchange (gain)/loss on translation of foreign operations		(51.0)	8.8
Net cash inflow from operating activities		281.4	234.8

10. Financial risk management

This note explains the Group's exposure to financial risk and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in AUD	Sensitivity analysis	Forward foreign exchange contracts Foreign currency debt
	Future commercial transactions	Cash flow forecasting	
Market risk – price risk	Investment in a security listed on the Malaysian Stock Exchange (Bursa Malaysia)	Sensitivity analysis	N/A
Market risk – interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	Interest rate swaps
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments and available-for-sale debt instruments	Ageing analysis Credit ratings	Credit limits
Liquidity risk	Borrowings and other liabilities	Ageing analysis Credit ratings	Availability of committed borrowing facilities

The Group's risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Group holds the following financial instruments:

	Notes	2015 \$m	2014 \$m
Financial assets			
Cash and cash equivalents	8	449.6	323.0
Trade and other receivables ⁽¹⁾		98.7	78.8
Other financial assets	12(a)(b)	127.7	89.3
Financial liabilities			
Trade and other payables		116.9	84.9
Other financial liabilities	16	10.0	8.2
Borrowings (principal)		991.1	404.9

1. Trade and other receivables in the table excludes prepayments which are not classified as financial instruments.

The carrying value of the assets and liabilities disclosed in the table above closely approximates or equals their fair value.

Borrowings are issued at variable interest rates (for details of the maturity of borrowings, refer to note 15). Cash and cash equivalents (refer to note 8) and funds on deposit for entrusted loan facilities (note 12) attract interest at variable interest rates. All other financial assets and liabilities are non-interest bearing.

Notes to the Financial Statements

for the year ended 30 June 2015

10. Financial risk management continued

(a) Market risk

(i) Derivatives

Accounting policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument exactly match the terms of the hedged item, and so a qualitative assessment is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Movements in the hedging reserve in shareholders' equity are shown in note 19. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within "finance costs", together with the changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within "operations and administration expenses".

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within "operating and administration expenses".

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within "finance costs".

The gain or loss relating to the effective portion of other derivative instruments, where the underlying exposure is not related to funding the Company, is recognised within profit or loss within "operations and administration expenses".

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within "operating and administration expenses".

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iv) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in "operating and administration expenses".

Derivatives are only used for economic hedging purposes and not as speculative instruments. The Group has the following derivative financial instruments:

	2015 \$m	2014 \$m
Current assets		
Forward foreign exchange options - cash flow hedge (ii)	12.2	1.3
Forward foreign exchange contracts - cash flow hedges	0.9	-
Forward foreign exchange contracts - held for trading	1.0	0.3
Cross currency swap contracts - net investment hedge	-	0.5
Total current derivative financial assets	14.1	2.1
Current liabilities		
Interest rate swap contracts - cash flow hedges	2.8	1.0
Cross currency swap contracts - net investment hedge	7.2	3.2
Forward foreign exchange contracts - cash flow hedges	-	0.1
Forward foreign exchange contracts - held for trading	-	2.5
Total current derivative financial liabilities	10.0	6.8

(ii) Forward foreign exchange options - cash flow hedges

The Group maintains borrowings denominated in USD. In order to protect against unfavourable exchange rate movements, the Group has taken out forward foreign exchange option contracts to purchase USD.

These option contracts have purchased calls between 0.86-0.74 and sold puts between 0.75-0.69, with exercise dates in January 2015 and July 2016.

(iii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, predominantly the US dollar (USD), Singapore dollar (SGD), Hong Kong dollar (HKD), Malaysian Ringgit (MYR), New Zealand dollar (NZD), Brazilian Real (BRL), Mexican Peso (MXN) and Chinese Yuan (RMB). The Group's exposure to these and other currencies is detailed on the following page.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Forward contracts are sometimes used to manage foreign currency exchange risk. Group Treasury is responsible for managing exposures by using external forward currency contracts, for example for one-off significant transactions.

During the year, SEEK has maintained borrowings in USD. The US\$273.0m borrowings held by SEEK Limited has been designated as a hedge against its overseas investments, thereby protecting this portion of assets against depreciation of the USD over the life of the loan. The Group has also entered into cross-currency swap contracts to create synthetic borrowings in the currency of foreign subsidiaries to protect the Group balance sheet against volatility due to movements in foreign exchange rates.

The Group's foreign exchange risk management policy is to hedge up to 100% of anticipated significant cash flows in foreign currencies for up to a six month period. The forward foreign currency exchange contracts taken up by the Group are regularly reassessed. The derivative instruments used for hedging foreign exchange exposures are forward exchange contracts and purchased net forward exchange option contracts.

Notes to the Financial Statements

for the year ended 30 June 2015

10. Financial risk management continued

(a) Market risk continued

The Group's exposure to foreign currency exchange risk at the reporting date, expressed in each currency, was as follows:

Denominated in: 2015	AUD			HKD					MXN		BRL		RMB	
	NZD \$m	GBP \$m	MYR \$m	USD \$m	PHP \$m	IDR \$m	MYR \$m	SGD \$m	RMB \$m	USD \$m	AUD \$m	USD \$m	USD \$m	USD \$m
Cash and cash equivalents	-	0.2	2.7	0.7	-	-	-	0.1	-	0.7	0.1	-	-	0.3
Trade and other receivables	0.5	0.3	0.9	0.6	-	-	-	0.3	-	11.1	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	2.4	0.4	-	0.2	-	-	16.7	4.8	16.5	0.2	0.3	-	0.3	-
Borrowings (principal) ⁽¹⁾	-	-	-	273.0	-	-	-	-	-	0.1	-	-	-	-

1. During the year the Group drew down on its USD loan facility. This \$273.0m loan has been designated as a net investment hedge for accounting purposes. For further details refer to note 15.

Denominated in: 2014	AUD			HKD					MXN		BRL		RMB	
	NZD \$m	GBP \$m	MYR \$m	USD \$m	PHP \$m	IDR \$m	MYR \$m	SGD \$m	RMB \$m	USD \$m	AUD \$m	USD \$m	USD \$m	USD \$m
Cash and cash equivalents	-	0.4	0.1	9.7	-	-	-	-	-	0.3	0.1	-	-	0.3
Trade and other receivables	0.4	0.4	-	0.4	0.5	9.4	7.5	-	-	8.3	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	0.8	-	-	0.3	-	-	-	0.2	16.5	-	-	-	-	7.3
Borrowings (principal)	-	-	-	100.0	-	-	-	-	-	-	-	-	-	-

The analysis below reflects management's view of possible movements in relevant foreign currencies against the Australian dollar in the short term subsequent to 30 June 2015. The table summarises the range of possible outcomes that would affect the Group's net profit as a result of foreign currency movements.

		Profit or Loss			
		2015 \$m		2014 \$m	
		High	Low	High	Low
AUD to NZD	(Range +5% to -5%)	(0.1)	0.1	-	-
AUD to GBP	(Range +5% to -5%)	-	-	0.1	(0.1)
AUD to MYR	(Range +5% to -5%)	0.1	(0.1)	-	-
AUD to USD	(Range +5% to -5%)	0.1	(0.1)	0.5	(0.5)
HKD to PHP	(Range +5% to -5%)	-	-	-	-
HKD to IDR	(Range +5% to -5%)	-	-	-	-
HKD to MYR	(Range +5% to -5%)	(0.3)	0.3	0.1	(0.1)
HKD to SGD	(Range +5% to -5%)	(0.2)	0.2	-	-
HKD to RMB	(Range +5% to -5%)	(0.2)	0.2	(0.1)	0.2
HKD to USD	(Range +5% to -5%)	0.7	(0.7)	0.4	(0.5)
HKD to AUD	(Range +5% to -5%)	-	-	-	-
MXN to USD	(Range +5% to -5%)	0.2	(0.2)	0.2	(0.2)
BRL to USD	(Range +5% to -5%)	-	-	-	-
RMB to USD	(Range +5% to -5%)	-	-	(0.4)	0.4
Net movement		0.3	(0.3)	0.8	(0.8)

(iv) Price risk

The Group is exposed to equity securities price risk, which arises from the Group's investment in JobStreet Corporation Berhad ("JCB"), as detailed in note 12(b). This investment is sensitive to the prevailing market price listed on the Bursa Malaysia. The underlying asset is denominated in Malaysian Ringgit (MYR).

The closing quoted share price as at 30 June 2015 was MYR1.96. If the share price were to increase/decrease by 10%, the carrying value of the investment would increase/decrease by MYR5.5m (A\$1.9m). Gains and losses on this investment are recorded in other comprehensive income.

(v) Cash flow interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

As part of its capital risk management policy the Group protects part of its borrowings from exposure to fluctuations in interest rates. The Group has entered into interest rate swap and interest rate option contracts under which it receives interest at variable rates and pays interest at fixed rates.

Syndicated loan facility

Swaps and options currently in place cover approximately 62% (2014: 84%) of the variable loan principal outstanding on the Group's loan facility and are timed to expire as each loan repayment falls due. Refer to note 15 for further details.

Notes to the Financial Statements

for the year ended 30 June 2015

10. Financial risk management continued

(a) Market risk continued

At the end of the reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	2015		2014	
	Weighted average interest rate %	\$m	Weighted average interest rate %	\$m
AUD denominated borrowings				
Bank loans - principal	4.1%	435.0	4.8%	226.0
Less amounts covered by interest rate swaps	2.9%	(320.0)	3.1%	(200.0)
		115.0		26.0
USD denominated borrowings				
Bank loan - principal	2.1%	353.9	2.4%	106.0
Entrusted loan facilities	1.4%	59.6	2.3%	58.3
Less amounts covered by interest rate swaps	0.3%	(212.6)	0.8%	(121.0)
		200.9		43.3
RMB denominated borrowings				
Entrusted loan facilities	5.0%	-	3.2%	14.6
Less amounts covered by interest rate swaps	n/a	-	n/a	-
		-		14.6
HKD denominated borrowings				
Loan facility	4.8%	58.5	4.6%	-
Less amount covered by interest rate swaps	0.9%	(32.4)	0.9%	(20.5)
		26.1		(20.5)
SGD denominated borrowings				
Loan facility	4.1%	84.0	n/a	-
Less amount covered by interest rate swaps	0.8%	(48.1)	n/a	-
		35.9		-
Total Group borrowings				
Total borrowings	3.5%	991.0	3.9%	404.9
Less amounts covered by interest rate swaps	1.7%	(613.1)	2.2%	(341.5)
		377.9		63.4

The interest rate and term for bank borrowings is determined at the date of each drawdown. The weighted average interest rate for the year ended 30 June 2015 was 3.5% [2014: 3.9%]. At 30 June 2015 if the weighted average interest rate of the facility had been 10% higher or 10% lower, interest expense would increase/decrease by \$2.5m.

Cash balances

As at 30 June 2015, the Group has \$26.3m [2014: \$34.2m] held in bank deposits, debentures and fixed income funds held by the subsidiaries of SEEK's controlled entities Brasil Online, Zhaopin and OCC, which attract a higher rate of interest.

The Group's bank accounts are predominantly interest bearing accounts. Funds that are excess to short-term liquidity requirements are generally invested in short-term deposits. Where excess funds are significantly in excess of short-term requirements, they are then applied to reduce the syndicated loan facility balance, thus reducing interest payable.

At 30 June 2015, if the interest rates on interest bearing cash balances were to move 10% higher or 10% lower than the weighted average rate of 3.2%, annual interest income would increase/decrease by \$1.3m respectively.

(b) Credit risk

The Group's exposure to credit risk arises from the potential default of the Group's trade and other receivables as well as the institutions in which the Group's cash and cash equivalents are deposited, and with whom derivative instruments are traded, with a maximum exposure equal to the carrying amounts of these assets. Further details of the Group's trade receivables are included in note 11, and cash and cash equivalents are detailed in note 8.

For trade and other receivables, the Group does not hold any credit derivatives or collateral to offset its credit exposure. Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

Group trade receivables at 30 June 2015 were \$62.2m (note 11).

The domestic Employment and Learning business accounts for 59% of gross trade receivables with a customer base comprising of agencies, national/major accounts and small and medium enterprises (SMEs). Credit risk assessments are conducted on new and renegotiated contracts to evaluate each customer's creditworthiness.

The International business represents 41% of gross trade receivables and the exposure to credit risk is relatively low due to the credit terms provided and the large and diverse customer base.

Credit risk is managed in the following ways:

- The provision of credit is covered by a risk assessment process for all customers (e.g. appropriate credit history, credit limits, past experience); and
- Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.

The Group's treasury policy only authorises dealings with financial institutions that have an investment grade rating.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and ensuring that all term deposits can be converted to funds at call. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping accessible the cash reserves of the business. The Group maintains borrowing facilities to enable the Group to borrow funds when necessary. For details of these facilities, refer to note 15.

All other financial liabilities are current and anticipated to be repaid over the normal payment terms, usually 30 days.

(i) Financial arrangements

The Group had access to the following borrowing facilities at the end of the reporting period:

	Drawn		Undrawn		Total	
	2015 \$m	2014 \$m	2015 \$m	2014 \$m	2015 \$m	2014 \$m
Floating rate						
Expiring within one year	214.8	22.2	30.0	-	244.8	22.2
Expiring beyond one year	776.2	382.7	5.2	426.7	781.4	809.4
	991.0	404.9	35.2	426.7	1,026.2	831.6

Subject to the continuance of meeting certain financial covenants, the bank loan facilities may be drawn down at any time. Refer to note 15 for further details of the Group's borrowing arrangements.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2015

10. Financial risk management continued

(c) Liquidity risk continued

Contractual maturities of financial liabilities	Less than 6 months \$m	6 to 12 months \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m	Total contractual cash flows \$m	Carrying amount (assets) / liabilities \$m
At 30 June 2015							
Non-derivatives							
Trade payables	116.9	-	-	-	-	116.9	116.9
Borrowings	31.1	213.0	377.5	426.6	-	1,048.2	991.0
Total non-derivatives	148.0	213.0	377.5	426.6	-	1,165.1	1,107.9
Derivatives							
Net settled (interest rate swaps)	1.5	1.2	0.9	0.3	-	3.9	2.8
Gross settled (forward foreign exchange contracts - net investment hedges)							
- (inflow)	(0.6)	(0.6)	(36.5)	-	-	(37.7)	-
- outflow	0.2	0.2	43.5	-	-	43.9	7.2
	1.1	0.8	7.9	0.3	-	10.1	10.0

Contractual maturities of financial liabilities	Less than 6 months \$m	6 to 12 months \$m	Between 1 and 2 years \$m	Between 2 and 5 years \$m	Over 5 years \$m	Total contractual cash flows \$m	Carrying amount (assets) / liabilities \$m
At 30 June 2014							
Non-derivatives							
Trade payables	84.9	-	-	-	-	84.9	84.9
Borrowings	6.0	28.0	242.0	153.0	-	429.0	404.9
Total non-derivatives	90.9	28.0	242.0	153.0	-	513.9	489.8
Derivatives							
Net settled (interest rate swaps)	0.8	0.7	-	-	-	1.5	1.0
Gross settled (forward foreign exchange contracts - net investment hedges)							
- (inflow)	(1.4)	(51.4)	(1.2)	(36.5)	-	(90.5)	(0.5)
- outflow	0.4	53.6	0.4	35.7	-	90.1	3.2
	(0.2)	2.9	(0.8)	(0.8)	-	1.1	3.7

(d) Fair value measurements

SEEK discloses fair value measurements by level of the following fair value measurement hierarchy:

- a. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b. inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 30 June 2015 the Group held at fair value the following financial instruments (refer to note 12 and note 16):

Level 1

- Non-current financial assets \$19.0m;

Level 2

- Derivative financial assets \$14.1m;
- Derivative financial liabilities \$10.0m.

(e) Capital risk management

The Group's policy is to maintain a capital structure for the business which ensures sufficient liquidity and support for business operations, maintains shareholder and market confidence, provides strong stakeholder returns, and positions the business for future growth. In assessing capital management the Group considers both equity and debt instruments.

The ongoing maintenance of this policy is characterised by:

- Ongoing cash flow forecast analysis and detailed budgeting processes which, combined with continual development of banking relationships, is directed at providing a sound financial positioning for the Group's operations and financial management activities;
- A capital structure that provides adequate funding for the Group's potential acquisition and investment strategies, building future growth in shareholder value. The syndicated loan facility can be partly used to fund significant investments as part of the Group's growth strategy;
- Investment criteria that consider earnings accretion and risk adjusted rate of return requirements based on the Group's weighted average cost of capital, and overall strategic goals;
- The Group is not subject to externally imposed capital requirements, other than contractual banking covenants and obligations. The Company has complied with all bank lending requirements during the year and at the date of this report.

Notes to the Financial Statements

for the year ended 30 June 2015

11. Trade and other receivables

	2015 \$m	2014 \$m
Trade receivables	62.2	49.2
Less: provisions for impairment of receivables (a)	(3.3)	(3.7)
Net trade receivables (b)	58.9	45.5
Other receivables (c)	39.8	33.3
Prepayments	21.5	17.7
Trade and other receivables	120.2	96.5

(a) Provisions for impaired trade receivables

Accounting policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. This provision includes amounts that are not considered to be recoverable from debtors and amounts that are expected to be credited to debtors. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. In addition, the trade receivables balances are considered for credit notes that are expected to be raised against individual and collective balances.

The amount of the provision relating to non-collectible items is recognised in the consolidated income statement in "operations and administration" expense. The amount of the provision for amounts that are expected to be credited is recognised in the consolidated income statement in "revenue from continuing operations". Trade receivables which are known to be uncollectible are written off against the provision for impairment. Subsequent recoveries of amounts previously written off to the provision for impairment are credited against "operations and administration" expense in the consolidated income statement.

Movements in the provision for impairment of receivables are as follows:

	Notes	2015 \$m	2014 \$m
Opening balances		3.7	6.6
Provision for impairment recognised during the year		2.3	4.2
Utilisation of provision for credit notes and receivables written off		(2.7)	(4.4)
Unused amount reversed		(0.1)	(0.2)
Acquisition of subsidiaries	21	0.1	-
Disposal of subsidiaries		-	(2.4)
Exchange differences		-	(0.1)
Closing balance		3.3	3.7
Comprising:			
Provision for doubtful debts		2.5	3.1
Credit note provision		0.8	0.6
		3.3	3.7

The creation or release of the doubtful debts provision has been included in 'operations and administration' expense in the consolidated income statement and the creation or the release of the credit note provision has been included within revenue. Amounts charged to the provision are generally written off when there is no expectation of recovering additional cash.

(b) Ageing of net trade receivables from due date

	2015 \$m	2014 \$m
Current - 30 days	50.2	38.0
30 - 60 days ⁽¹⁾	5.3	4.1
60 - 90 days ⁽¹⁾	1.9	1.3
90 - 120 days ⁽¹⁾	0.9	0.6
120+ days ⁽¹⁾	0.6	1.5
Closing balance	58.9	45.5

1. Past due and not considered impaired. Trade receivables are considered past due when they are not collected within credit terms.

The Group does not hold any collateral in relation to these receivables.

(c) Other receivables

The other receivables balance mainly represents accrued revenue in the SEEK Learning business and amounts receivable from employees on exercise of share options in Zhaopin.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 10 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

12. Other financial assets

Accounting policy

Financial assets are recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Group classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(i) Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost, using the effective interest method and net of any impairment loss, if:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to collect cash flows that are solely payments of principal and interest.

(ii) Financial assets measured at fair value

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss. However, for investments in equity instruments that are not held for trading, the Group may elect at initial recognition to present gains and losses in other comprehensive income. For such investments measured at fair value through other comprehensive income, gains and losses are never reclassified to profit or loss, and no impairment is recognised in profit or loss. Dividends earned from such investments are recognised in profit or loss, unless the dividend clearly represents a repayment of part of the cost of the investment.

(iii) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the Financial Statements

for the year ended 30 June 2015

12. Other financial assets continued

(a) Current financial assets

	2015 \$m	2014 \$m
Hedge assets (i)	14.1	2.1
Short-term bonds	0.1	0.2
Funds on deposit for entrusted loan facilities (ii)	48.9	24.3
Total other current financial assets	63.1	26.6

(b) Non-current financial assets

	2015 \$m	2014 \$m
Funds on deposit for entrusted loan facilities (ii)	44.6	62.0
Investment in equity instruments (iii)	19.0	-
Non-current prepayments	1.0	0.7
Total other non-current financial assets	64.6	62.7

(i) Hedge assets

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies (refer to note 10).

The Group has taken out forward foreign exchange contracts and foreign exchange option contracts to protect against unfavourable exchange rate movements.

A gain of \$14.1m has been recognised in the consolidated statement of comprehensive income reflecting the fair value of these hedges at 30 June 2015.

Refer to note 10(a)(i) for further information regarding the Group's hedge assets.

(ii) Funds on deposit for entrusted loan facilities

Zhaopin entrusted loan facilities are supported by funds on deposit of RMB 441.1m (A\$93.5m). Refer to note 15(b)(ii) for further information.

Funds on deposit includes RMB 87.9m (A\$18.6m) which was held to support a RMB 85.0m facility that was repaid in June 2015. The process to release the funds from deposit remained in progress at 30 June 2015, and the cash was subsequently received in July 2015.

(iii) Investment in equity instruments

SEEK has elected at initial recognition to record gains and losses of this investment in other comprehensive income.

Shares - JobStreet Corporation Berhad ("JCB")	Notes	2015 \$m	2014 \$m
Fair value as at 1 July		-	-
Transfer from investments accounted for using the equity method	21(c)	14.1	-
Change in fair value		4.9	-
Fair value as at 30 June		19.0	-

13. Intangible assets

Critical accounting estimates and assumptions

(i) Estimated impairment of goodwill and other intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are allocated to a cash-generating-unit (CGU) or group of CGUs and tested annually to determine whether they have suffered any impairment in accordance with the accounting policy stated below.

The recoverable amounts of the CGU or group of CGUs to which the assets have been allocated have been determined based on value-in-use or fair value calculations. These calculations are performed based on cash flow projections and other supplementary information which, given their forward looking nature, require the adoption of assumptions and estimates.

The key assumptions and estimates utilised in management's assessments relate primarily to:

- Five or ten year cash flow forecasts sourced from internal budgets and long-term management forecasts;
- Terminal value growth rates applied to the period beyond the five or ten year cash flow forecasts; and
- Pre-tax discount rates, used to discount the cash flows to present value.

Each of these assumptions and estimates is based on a "best estimate" at the time of performing the valuation. However, increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the carrying values of CGUs or groups of CGUs to exceed their recoverable amounts.

(ii) Indefinite useful lives

Management has determined that some of the intangible assets (brands and licences) recognised as part of business combinations have indefinite useful lives. These assets have no legal or contractual expiry date and are integral to future revenue generation. Management intends to continue to promote, maintain and defend the brands and licences to the extent necessary to maintain their values for the foreseeable future.

Management assesses the useful lives of the Group's intangible assets at the end of each reporting period. If an intangible asset is no longer considered to have an indefinite useful life, this change is accounted for prospectively.

Accounting policy

(i) Goodwill

Goodwill is measured as described in note 21. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

(ii) Brands and licences

Indefinite life brands and licences are carried at cost less any impairment losses and are not amortised. Instead, they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost or fair value less accumulated impairment losses. Brands and licences with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life.

(iii) Course development and accreditation

Costs incurred on developing and designing courses are recognised as an expense unless it is probable that the course will generate future economic benefits and its cost can be measured reliably. Course development expenditure is recognised as an asset at cost less any impairment losses. Once delivery of the course to which the development costs relate has commenced the associated costs are amortised over the life of the accreditation, which is five years.

(iv) Customer relationships

Acquired customer relationships have a finite useful life and are carried at fair value at acquisition date less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life, which is between one and five years.

Notes to the Financial Statements

for the year ended 30 June 2015

13. Intangible assets continued

Accounting policy continued

(v) Computer software and website development

Costs incurred in acquiring, developing and implementing new websites or software are recognised as intangible assets only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licences and direct labour.

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software over its estimated useful life, which is between three and five years.

Website developments have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of website developments over their estimated useful lives, which is between three and five years.

(vi) Work in progress

Work in progress (WIP) represents intangible assets of other classes not yet put into use. These assets are transferred to the other class on the date of completion.

	Notes	Goodwill \$m	Brands and licences \$m	Course development and accreditation \$m	Customer relationships \$m	Computer software and website development \$m	Work in progress \$m	Total \$m
At 1 July 2013								
Cost		1,291.4	282.8	11.3	47.8	54.0	2.6	1,689.9
Accumulated amortisation		-	-	(5.2)	(22.4)	(26.7)	-	(54.3)
Net book amount		1,291.4	282.8	6.1	25.4	27.3	2.6	1,635.6
Year ended 30 June 2014								
Opening net book amount		1,291.4	282.8	6.1	25.4	27.3	2.6	1,635.6
Exchange differences		(35.7)	(7.5)	-	(0.6)	(0.2)	-	(44.0)
Additions		-	-	0.9	-	2.6	28.3	31.8
Transfers		-	-	-	-	23.7	(23.7)	-
Acquisition of subsidiaries ⁽¹⁾		1.1	1.0	-	0.3	3.0	-	5.4
Disposal of subsidiaries ⁽²⁾	5	(60.6)	(19.3)	(6.4)	(0.3)	(1.8)	(0.3)	(88.7)
Amortisation charge ⁽³⁾	5	-	-	(0.6)	(11.8)	(13.8)	-	(26.2)
Closing net book amount		1,196.2	257.0	-	13.0	40.8	6.9	1,513.9
At 30 June 2014								
Cost		1,196.2	257.0	-	42.9	77.5	6.9	1,580.5
Accumulated amortisation		-	-	-	(29.9)	(36.7)	-	(66.6)
Net book amount		1,196.2	257.0	-	13.0	40.8	6.9	1,513.9
Opening net book amount		1,196.2	257.0	-	13.0	40.8	6.9	1,513.9
Exchange differences		160.8	34.1	-	1.7	1.5	-	198.1
Additions		-	-	-	-	1.0	39.1	40.1
Transfers		-	-	-	-	41.0	(41.0)	-
Acquisition of subsidiaries ⁽¹⁾	21(b)	590.1	81.6	-	16.0	1.2	-	688.9
Amortisation charge ⁽³⁾	5	-	-	-	(14.0)	(17.4)	-	(31.4)
Closing net book amount		1,947.1	372.7	-	16.7	68.1	5.0	2,409.6
At 30 June 2015								
Cost		1,947.1	372.7	-	66.5	121.9	5.0	2,513.2
Accumulated amortisation		-	-	-	(49.8)	(53.8)	-	(103.6)
Net book amount		1,947.1	372.7	-	16.7	68.1	5.0	2,409.6

1. Includes identifiable intangible assets acquired through the purchase of JobStreet (2014: Jora).

2. Includes THINK and DWT.

3. Amortisation charges have been included within 'operations and administration' expenses in the consolidated income statement.

(a) Cash-generating-units (CGUs)

For the purpose of undertaking impairment testing, the Group has determined its CGUs as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This assessment is usually determined by considering business and operating segments and areas of operation.

A summary by CGU of the carrying amount of goodwill and intangible assets with indefinite useful lives is detailed below:

Business division	CGU / Group of CGUs	2015		2014	
		Goodwill \$m	Intangible assets with indefinite useful lives \$m	Goodwill \$m	Intangible assets with indefinite useful lives \$m
Domestic	SEEK New Zealand	5.2	-	5.6	-
Domestic	SEEK Learning	3.7	-	3.7	-
Domestic	Jora	1.1	-	1.1	1.0
International	SEEK Asia (i)	986.9	137.0	295.4	41.8
International	Zhaopin	533.1	154.9	432.6	125.8
International	Brasil Online (ii)	277.1	58.0	319.2	66.8
International	OCC	140.0	21.8	138.6	21.6
Total		1,947.1	371.7	1,196.2	257.0

(i) SEEK Asia

SEEK Asia is a leading provider of online employment marketplaces operating across seven countries throughout Asia. The goodwill and intangible assets with indefinite useful lives relating to SEEK Asia are a significant component of the consolidated balance sheet. The goodwill for this business is attributable to the strong market position it holds and the high growth potential in these emerging markets.

Each country has been determined as a CGU. For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill is tested across the group of CGUs that comprise SEEK Asia as the goodwill balance contributes to the generation of cash flows across the whole of the businesses;
- The JobsDB and JobStreet brands are tested across the group of CGUs that comprise SEEK Asia as a high level of integration has been achieved in the period post acquisition of JobStreet in November 2014, with management having exercised its ability to direct cash flows from one brand to the other; and
- Other intangible assets with indefinite useful lives are tested at the applicable CGU level.

(ii) Brasil Online

Brasil Online operates the two leading online employment marketplaces in Brazil, Catho Online and Manager Online, and considers them as two CGUs. For the purpose of impairment testing, goodwill and intangible asset balances are assessed on the following basis:

- Goodwill is tested across the group of CGUs that comprise Brasil Online as the goodwill balance contributes to the generation of cash flows across the whole of the businesses; and
- Other intangible assets with indefinite useful lives are tested at the applicable CGU level.

(b) Impairment testing and key assumptions

The Group tests whether goodwill and other intangible assets have suffered any impairment in accordance with the accounting policy stated above. The recoverable amounts of assets and CGUs have been determined based on the higher of value-in-use and fair value less costs to sell. These calculations require the use of key assumptions on which management has based its cash flow projections, as well as pre-tax discount rates.

The cash flow projections were derived from management forecasts based on next year's budgeted result, with the remaining years based on management forecasts. Management's cash flow forecasts have been compiled based on past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

Key structural and market factors

Key assumptions relating to structural and market factors have been derived under a consistent approach to the prior year impairment assessment, utilising past experience, external data and internal analysis. The key structural and market factors considered comprise:

Notes to the Financial Statements

for the year ended 30 June 2015

13. Intangible assets continued

(b) Impairment testing and key assumptions continued

Online employment businesses

Labour market growth, rising internet penetration, continued structural migration of advertising expenditure from print to online mediums and GDP growth. Management also anticipate growth from increased market penetration and continued evolution of products and services.

SEEK Learning

Regulatory environment and funding, as well as economic trends which have an impact on the types of courses students require and mode of study.

Key assumptions

CGU / Group of CGUs	Valuation method	Years of cash flow projection	Real terminal growth rate	Pre-tax discount rate %	
				2015	2014
SEEK New Zealand	Value in use	5	0%	17.4	18.4
SEEK Learning	Value in use	5	0%	15.3	14.9
Jora (i)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
SEEK Asia (ii)	Fair value less costs of disposal	n/a	n/a	n/a	15.7
Zhaopin (iii)	Fair value less costs of disposal	n/a	n/a	n/a	n/a
Brasil Online	Fair value less costs of disposal	10	0%	21.7	21.1
OCC	Fair value less costs of disposal	10	0%	17.8	17.6

(i) Jora

On 26 November 2013, the Group acquired 100% controlling interest in Job Seeker Pty Ltd (Jora), an Australian-based search engine for jobs. At 30 June 2015, the recoverable amount of its assets have been determined based on fair value less costs of disposal, with reference to the recent purchase price of the acquired interest. There are no indicators to suggest that the fair value of Jora has significantly changed since acquisition.

(ii) SEEK Asia

On 2 June 2015, the Group acquired a further 5.2% interest in SEEK Asia. At 30 June 2015, the recoverable amount of its assets have been determined based on fair value less cost of disposal, with reference to the recent purchase price of the acquired interest. There are no indicators to suggest that the fair value of SEEK Asia has significantly changed since acquisition.

(iii) Zhaopin

Zhaopin is the leading career platform in China focusing on connecting candidates with relevant job opportunities throughout their career lifecycle. On 12 June 2014, Zhaopin successfully listed on the New York Stock Exchange. The recoverable amounts of Zhaopin's assets as at 30 June 2015 have been assessed with reference to its listed share price and cross-referenced against other supplementary internal analysis.

(c) Sensitivity analysis

Future net cash flows of these CGUs are based on the key assumptions noted above, each of which are subject to some uncertainty. Any reasonable change in the key assumptions would not result in the carrying amounts exceeding their recoverable amounts.

14. Net tangible asset backing

	2015 cents per share	2014 cents per share
Net tangible asset backing per share	(176.75)	(13.32)

A large proportion of the Group's assets are intangible in nature, consisting of goodwill and identifiable intangible assets relating to businesses acquired. These assets are excluded from the calculation of net tangible assets per security, which results in the negative outcome.

Net assets per share at 30 June 2015 was \$5.23 (30 June 2014: \$4.31).

15. Borrowings

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(a) Current borrowings

	2015 \$m	2014 \$m
Bank borrowings- principal (i)	153.0	-
Entrusted loan facilities (ii)	25.9	22.2
Short-term loan (iii)	36.0	-
Total current borrowings	214.9	22.2

(b) Non-current borrowings

	2015 \$m	2014 \$m
Bank borrowings - principal (i)	635.9	332.0
Entrusted loan facilities (ii)	33.7	50.7
Long-term loan (iii)	106.6	-
Less: transaction costs capitalised	(6.9)	(2.9)
Total non-current borrowings	769.3	379.8

(i) Syndicated facility (unsecured) - SEEK Limited

On 5 March 2014, the Group re-financed its syndicated debt facility and the pre-existing facility comprising A\$350m and US\$100.0m, was extinguished. A new syndicated facility was established, and as per the previous facility, the structure is a revolving, unsecured, syndicated senior debt facility. Key features of the facility include:

- Tranche A: A\$183.0m (2 years);
- Tranche B: A\$282.0m (3 years);
- Tranche C: US\$273.0m (4 years).

The facility is provided by a syndicate comprising the existing syndicate members National Australia Bank, Westpac Banking Corporation, ANZ, Commonwealth Bank and HSBC, and new members United Overseas Bank, Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ.

As at 30 June 2015, A\$788.9m principal had been drawn down against the new facility, comprising A\$435.0m and US\$273.0m. Transaction costs of A\$2.4m which were incurred to establish the facility have been capitalised on the consolidated balance sheet, of which A\$1.4m has not yet been amortised through the consolidated income statement.

On 20 August 2015, the Group extended its syndicated debt facility by 18 months. Updated key features of the revolving, unsecured, syndicated senior debt facility are as follows:

- Tranche A: A\$183m, expiring August 2017
- Tranche B: A\$335m, expiring August 2018
- Tranche C: US\$273m, expiring August 2019

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15. Borrowings continued

This extension was strongly supported by the existing members of the syndicate, being National Australia Bank, Westpac Banking Corporation, ANZ, Commonwealth Bank, HSBC, United Overseas Bank, Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ. Reflecting SEEK's business model strength and improving funding conditions there has been a significant improvement in term and conditions of the facility.

As at the date of this report, total drawn on the syndicated debt facility is A\$823.9m, comprising A\$435.0m and US\$273.0m.

(ii) Entrusted loan facilities - Zhaopin Limited

Zhaopin utilises entrusted loan facilities. As at 30 June 2015, the facilities are with HSBC and ANZ banks, with limits of US\$50.0m. An RMB 85.0m facility was fully repaid during the year.

At 30 June 2015, US\$46.0m (A\$59.6m) was drawn down on these facilities. The facilities are supported by funds on deposit of RMB441.1m (A\$93.5m) within the Zhaopin Group and are non-recourse to the SEEK Limited wholly-owned group.

(iii) Loan Facility – SEEK Asia

In November 2014, SEEK Asia acquired 100% of the online employment businesses of JobStreet Corporation Berhad. Refer to note 21 for further details of this transaction.

The transaction was partially funded by establishing a new syndicated multi-currency amortising debt facility. Key features of the facility include:

- Facility A: SG\$96.8m (equivalent to US\$75.0m at date of drawdown);
- Facility B: HK\$387.8m (equivalent to US\$50.0m at date of drawdown);
- 4 year tenor (amortising);
- Supported by guarantees, cross-guarantees and security provided by agreed SEEK Asia subsidiaries; and
- Non-recourse to the SEEK Limited wholly-owned group.

As at 30 June 2015, A\$142.6m principal had been drawn down against the debt facility, comprising SG\$87.3 and HK\$349.9. As at the date of this report, total drawn on the facility is A\$151.4m, comprising SG\$87.3m and HK\$349.9m.

Establishment and transaction costs of HK\$38.3m (A\$6.0m) were incurred to establish the facility and have been capitalised in the consolidated balance sheet, of which HK\$32.4m (A\$5.5m) has not yet been amortised through the consolidated income statement.

16. Other financial liabilities

	2015 \$m	2014 \$m
Hedge liabilities (i)	10.0	6.8
Deferred consideration (ii)	-	1.4
Total other financial liabilities	10.0	8.2

(i) Hedge liabilities

USD Cross currency swap contract - net investment hedge

SEEK entered into a cross currency swap for US\$33.6m to continue to hedge its net investment in Zhaopin. A loss of \$7.2m (2014: \$0.5m gain) has been recognised in the consolidated statement of comprehensive income reflecting the fair value of this net investment hedge at 30 June 2015.

HKD Cross currency swap contract – net investment hedge

During 2012, SEEK entered into a net investment hedge for HK\$388.7m (A\$50.0m). This was designated as a hedge against the Hong Kong assets, thereby protecting this portion of assets against depreciation of the HKD over the three year life of the swap. This swap was settled in June 2015. A loss of \$14.8m was recognised in the consolidated statement of comprehensive income.

Interest rate swap contracts – cash flow hedge

The Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

A loss of \$2.8m (2014: \$1.0m) has been recognised in the consolidated statement of comprehensive income reflecting the change in fair value of the interest rate swap contracts in the financial year.

Refer to note 10(a)(i) for further information regarding the Group's hedge liabilities.

(ii) Deferred consideration

This balance represented amounts which may have been required to be paid to the vendor of JobsDB at a future date to be agreed with the vendor. During the year, the Group settled this deferred consideration for \$1.7m.

17. Provisions

Critical accounting estimates and assumptions

Following the guidance in AASB 3: *Business Combinations*, the Group has recognised a provision for contingent liabilities acquired in a business combination. The provision is measured at the fair value of the contingent liabilities, which reflects the range of possible outcomes across the portfolio of contingent liabilities and is adjusted for risk. The carrying amount of the provision is reassessed in each subsequent reporting period.

As disclosed on page 13 of Zhaopin's Annual Report for the year ended 30 June 2014 weaknesses and other deficiencies were identified in Zhaopin's internal controls. Following Zhaopin's Initial Public Offering in June 2014, Zhaopin was required to undertake additional work to improve its internal control procedures and compliance practices. Zhaopin has also engaged independent third parties to review past compliance and control problems and current practices, and suggest areas to improve the strength of Zhaopin's control and compliance environment. Zhaopin's financial audit for the year ended 30 June 2015 is ongoing and subject to satisfactory completion of the aforementioned review and audit procedures. Subject to the satisfactory completion of the aforementioned review and audit procedures the financial audit is targeted to complete by 31 October 2015 in accordance within normal reporting timelines. At the date of these financial statements, no matters of any material financial consequence have been identified from this independent review.

Accounting policy

Provisions for legal claims and make-good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Make-good provisions are amortised through profit or loss over the life of the lease.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to calculate the present value of employee benefits is determined by reference to market yields at the end of the reporting period. The discount rate used to determine the present value of other provisions is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(a) Current provisions

	2015 \$m	2014 \$m
Employee benefits provision ⁽¹⁾	15.3	8.1
Other current provisions	20.9	15.0
Total current provisions	36.2	23.1

(1) Includes long service leave, all of which is expected to be used in the next 12 months.

Notes to the Financial Statements

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17. Provisions continued

(a) Current provisions continued

Movement in provisions

The movement in 'other current provisions' during the financial year is set out below:

	Lease incentives \$m	Make-good provisions \$m	Acquired contingent liabilities (i) \$m	Dividend withholding tax \$m	Total \$m
At 1 July 2013	1.0	0.7	18.4	4.4	24.5
Credited to the consolidated income statement	(0.3)	-	(3.8)	(4.4)	(8.5)
Transfer (to)/from non-current provisions	0.1	(0.7)	-	-	(0.6)
Exchange differences	-	-	(0.4)	-	(0.4)
At 30 June 2014	0.8	-	14.2	-	15.0
Additional provision recognised in the year	-	-	0.3	-	0.3
Credited to the consolidated income statement	(0.6)	-	-	-	(0.6)
Assumed in a business combination	-	-	2.1	-	2.1
Transfer (to)/from non-current provisions	0.3	-	-	-	0.3
Exchange differences	-	-	3.8	-	3.8
At 30 June 2015	0.5	-	20.4	-	20.9

(i) Acquired contingent liabilities

In accordance with the Group's accounting policy on business combinations, as described in note 21, in 2015 the Group recognised the fair value of contingent liabilities acquired as part of the Jobstreet business combination.

In 2013 the Group recognised the fair value of contingent liabilities acquired as part of the Zhaopin business combination; these relate to tax and labour contingent liabilities. The settlements of these contingent liabilities are uncertain and the difference between the settlement amounts and the amounts provided for may be material.

(b) Non-current provisions

	2015 \$m	2014 \$m
Employee benefits provision ⁽¹⁾	5.8	4.1
Other non-current provisions	20.5	19.3
Total non-current provisions	26.3	23.4

1. Includes long service leave and cash long-term incentives.

Movements in provisions

The movement in lease incentives, make-good provisions and other provisions during the financial year is set out below:

	Lease incentives \$m	Make-good provisions \$m	Acquired contingent liabilities (i) \$m	Tax cases provision (ii) \$m	Other \$m	Total \$m
At 1 July 2013	3.4	2.1	11.0	5.3	3.0	24.8
Additional provision recognised in the year	-	0.1	-	1.7	-	1.8
Credited to the consolidated income statement	(0.6)	-	(1.0)	-	(1.1)	(2.7)
Disposal of subsidiary	(1.9)	(2.9)	-	-	-	(4.8)
Transfer (to)/from current provisions	(0.1)	0.7	-	-	-	0.6
Exchange differences	-	-	(0.3)	(0.1)	-	(0.4)
At 30 June 2014	0.8	-	9.7	6.9	1.9	19.3
Additional provision recognised in the year	-	-	-	0.5	1.3	1.8
Credited to the consolidated income statement	(0.2)	-	(0.8)	-	(1.9)	(2.9)
Assumed in a business combination	-	-	4.5	-	-	4.5
Transfer (to)/from current provisions	(0.3)	-	-	-	-	(0.3)
Exchange differences	-	-	(0.7)	(1.0)	(0.2)	(1.9)
At 30 June 2015	0.3	-	12.7	6.4	1.1	20.5

(i) Acquired contingent liabilities

In accordance with the Group's accounting policy on business combinations, as described in note 21, in 2015 the Group recognised the fair value of contingent liabilities acquired as part of the Jobstreet business combination.

In 2012 the Group recognised the fair value of contingent liabilities acquired as part of the Brasil Online business combination, relating to a number of outstanding legal, tax and social security provisions. The remaining cases may take a number of years to come to conclusion and the difference between the settlement amounts and the amounts provided for may be material.

(ii) Tax cases provision

Catho Online (a subsidiary of Brasil Online) is subject to a number of tax infraction notices from the tax authority in Brazil. These tax infractions are either open, subject to legal proceedings, or under appeal after legal proceedings. Based on advice from local legal counsel, Catho has estimated the most likely amounts payable including penalties and interest and have recognised this amount as a provision.

(c) Unrecognised contingent liabilities

Unrecognised contingent liabilities represent the possible (but not probable) cash outflow in excess of any provision. They do not represent management's expectation of likely outflow and are not recognised on the balance sheet. They are disclosed unless the possibility of outflow is remote.

The Group has \$5.0m of unrecognised contingent liabilities at 30 June 2015 (2014: \$4.0m) which relate to labour and civil cases in Brasil Online and its subsidiaries.

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18. Contributed equity

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, performance rights or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of SEEK Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of SEEK Limited.

(a) Share capital

	Consolidated and parent entity			
	2015 Shares	2014 Shares	2015 \$m	2014 \$m
Ordinary shares				
Issued and fully paid	344,098,479	340,459,756	222.9	203.7

(b) Movements in ordinary share capital

Date	Details	Number of Shares	Average issue price \$	\$m
1 July 2013	Balance	337,833,019		189.5
	Exercise of options	2,197,570	6.46	14.2
	Exercise of performance rights	429,167	-	-
30 June 2014	Balance (including treasury shares)	340,459,756		203.7
Less:	Treasury shares	(407,286)		-
30 June 2014	Balance (excluding treasury shares)	340,052,470		203.7
1 July 2014	Balance	340,459,756		203.7
27 August 2014	Exercise of options	94,413	7.39	0.7
1 September 2014	Exercise of options	1,006,434	5.36	5.4
1 September 2014	Exercise of performance rights	68,492	-	-
12 September 2014	Exercise of performance rights	235,177	-	-
15 September 2014	Exercise of options	327,439	5.36	1.7
17 September 2014	Exercise of options	143,411	5.36	0.8
28 November 2014	Exercise of options	252,520	5.36	1.3
28 November 2014	Exercise of options	35,275	7.39	0.3
19 February 2015	Exercise of options	6,275	7.39	-
10 March 2015	Exercise of options	20,916	7.39	0.2
11 March 2015	Exercise of options	5,320	7.39	-
17 March 2015	Exercise of options	416,660	7.39	3.1
17 March 2015	Exercise of options	964,065	5.36	5.2
25 March 2015	Exercise of options	6,765	7.39	-
27 March 2015	Exercise of options	19,090	7.39	0.2
1 June 2015	Exercise of options	21,514	7.39	0.2
30 June 2015	Exercise of options	14,957	7.39	0.1
30 June 2015	Balance (including treasury shares)	344,098,479		222.9
Less:	Treasury shares	(299,790)	-	-
30 June 2015	Balance (excluding treasury shares)	343,798,689		222.9

(c) Ordinary shares

Ordinary shares have no par value and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Treasury shares

On 1 July 2014, 407,286 treasury shares were transferred to employees under the Performance Rights and Options Plan. These shares therefore ceased to be held as treasury shares after this date.

In September 2014, the Group issued 303,669 shares to be held in the Employee share trust for the participants of certain equity-based compensation schemes. 3,879 shares were released to employees during the year, resulting in 299,790 shares remaining as treasury shares at 30 June 2015. These plans vested 1 July 2015, and as such these shares are no longer restricted by the trust and have been returned to ordinary share capital in July 2015. For further information see note 30.

(e) Exercise of staff options

During the current year, 3,335,054 (2014: 2,197,570) shares were issued to fulfil employee options exercised in the year. No shares (2014: nil) were acquired on market in relation to other exercised employee options.

19. Equity

Nature and purpose of reserves

Share-based payments reserve

The reserve is comprised of two components:

Unexercised: is used to recognise the fair value of options and performance rights issued but not exercised;

Exercised: is used to hold the fair value of options that have been exercised, and options that have lapsed but are not required to be adjusted through the consolidated income statement.

Foreign currency translation reserve

Exchange differences arising on the translation of foreign controlled entities and associates are recognised in the foreign currency translation reserve, as described in note 33(b).

Cash flow hedge reserve

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 10. Amounts are recognised in the consolidated income statement when the associated hedged transaction affects the profit or loss or when it is impaired or sold or if the forecast transaction is no longer expected to take place.

Net investment hedge reserve

The net investment hedge reserve is used to record gains or losses on a hedging instrument in a net investment hedge that are recognised directly in equity, as described in note 10. Amounts are recognised in the consolidated income statement when the associated hedged transaction affects the profit or loss or when it is impaired or sold. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Financial asset revaluation reserve

The financial asset revaluation reserve is used to record changes in the fair value of investments in equity instruments that are not held for trading, for which the Group has elected at initial recognition to present gains and losses in other comprehensive income.

Transfers under common control reserve

The transfers under common control reserve is used to record the net impact on the equity attributable to the shareholders of the Group in the event of a transfer of an entity under common control. Upon disposal of all interests in that entity by the Group this reserve would be transferred to retained earnings.

Transactions with non-controlling interests

This reserve is used to record differences arising as a result of transactions with a non-controlling interest that do not result in a loss of control.

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for the year ended 30 June 2015

19. Equity continued

Reconciliation of movement in equity

For the year ended 30 June 2014	Notes	Contributed equity			
		\$m	Share-based payments reserve \$m	Foreign currency translation reserve \$m	Cash flow hedge reserve \$m
Balance at 1 July 2013		188.5	22.1	85.0	0.7
Profit for the year		-	-	-	-
Exchange differences on translation of foreign controlled operations		-	-	(34.8)	-
Exchange differences on translation of foreign associates		-	-	(4.6)	-
Gains on hedge contracts of controlled entities		-	-	-	-
Losses on hedge contracts of associates (net of tax)		-	-	-	(1.0)
Income tax recognised in other comprehensive income	7(b)	-	15.3	-	-
Total comprehensive income for the year		-	15.3	(39.4)	(1.0)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18(b)	14.2	-	-	-
Dividends provided for or paid	20	-	-	-	-
Employee share options scheme of parent		-	8.1	-	-
Employee share options scheme of subsidiary		-	5.8	-	-
Exercise of share options in subsidiary		-	-	-	-
Tax associated with employee share schemes	7(b)	-	(4.2)	-	-
Transfer of non wholly-owned subsidiary under common control		-	-	-	-
Initial public offering of Zhaopin		-	-	-	-
Disposal of THINK	22	-	-	-	-
Transfer of reserves		1.0	(1.0)	-	-
Share of reserve movement of associates		-	-	-	-
Balance at 30 June 2014		203.7	46.1	45.6	(0.3)
For the year ended 30 June 2015					
Profit for the year		-	-	-	-
Exchange differences on translation of foreign controlled operations		-	-	137.1	-
Exchange differences on translation of foreign associates		-	-	2.1	-
Gains/(losses) on hedge contracts of controlled entities		-	-	-	6.6
Gains on hedge contracts of associates (net of tax)		-	-	-	1.6
Recycled foreign currency translation reserve on step acquisition		-	-	0.5	-
Change in fair value of financial assets	12(b)	-	-	-	-
Income tax recognised in other comprehensive income	7(b)	-	2.9	-	-
Total comprehensive income for the year		-	2.9	139.7	8.2
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	18(b)	19.2	-	-	-
Dividends provided for or paid	20	-	-	-	-
Employee share options scheme of parent		-	10.3	-	-
Employee share options scheme of subsidiary		-	2.7	-	-
Exercise of share options in subsidiary		-	-	-	-
Tax associated with employee share schemes	7(b)	-	(10.6)	-	-
Change in ownership of subsidiaries	19(a)	-	-	25.0	-
Transfer of reserves		-	(3.0)	-	-
Share of reserve movement of associates		-	0.6	-	-
Balance at 30 June 2015		222.9	49.0	210.3	7.9

Reserves						Retained profits	Non-controlling interests	Total equity
Net investment hedge reserve	Financial asset revaluation reserve	Transfers under common control reserve	Transactions with non-controlling interests	Total reserves				
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
(21.6)	-	-	(11.2)	75.0	513.5	519.6	1,296.6	
-	-	-	-	-	195.6	27.8	223.4	
-	-	-	-	(34.8)	-	(9.0)	(43.8)	
-	-	-	-	(4.6)	-	-	(4.6)	
6.8	-	-	-	6.8	-	-	6.8	
-	-	-	-	(1.0)	-	-	(1.0)	
-	-	-	-	15.3	-	-	15.3	
6.8	-	-	-	(18.3)	195.6	18.8	196.1	
-	-	-	-	-	-	-	14.2	
-	-	-	-	-	(88.4)	(29.7)	(118.1)	
-	-	-	-	8.1	-	-	8.1	
-	-	-	-	5.8	-	-	5.8	
-	-	-	1.1	1.1	-	0.3	1.4	
-	-	-	-	(4.2)	4.2	-	-	
-	-	(1.1)	0.1	(1.0)	-	-	(1.0)	
-	-	-	9.6	9.6	-	75.6	85.2	
-	-	-	-	-	-	(18.2)	(18.2)	
-	-	-	0.2	(0.8)	-	(0.2)	-	
-	-	-	(1.5)	(1.5)	-	-	(1.5)	
(14.8)	-	(1.1)	(1.7)	73.8	624.9	566.2	1,468.6	
-	-	-	-	-	281.2	34.0	315.2	
-	-	-	-	137.1	-	68.9	206.0	
-	-	-	-	2.1	-	-	2.1	
(68.6)	-	-	-	(62.0)	-	-	(62.0)	
-	-	-	-	1.6	-	-	1.6	
-	-	-	-	0.5	-	-	0.5	
-	4.9	-	-	4.9	-	-	4.9	
-	-	-	-	2.9	-	-	2.9	
(68.6)	4.9	-	-	87.1	281.2	102.9	471.2	
-	-	-	-	-	-	-	19.2	
-	-	-	-	-	(120.2)	(24.7)	(144.9)	
-	-	-	-	10.3	-	-	10.3	
-	-	-	-	2.7	-	1.8	4.5	
-	-	-	(8.6)	(8.6)	-	40.3	31.7	
-	-	-	-	(10.6)	10.6	-	-	
-	-	-	(62.5)	(37.5)	-	(22.8)	(60.3)	
-	-	-	0.1	(2.9)	-	2.9	-	
-	-	-	-	0.6	-	-	0.6	
(83.4)	4.9	(1.1)	(72.7)	114.9	796.5	666.6	1,800.9	

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19. Equity continued

Reconciliation of movement in equity continued

(a) Change in ownership of subsidiaries

(i) SEEK Asia

As a result of the funding structure for the acquisition of JobStreet (refer to note 21), SEEK's interest in SEEK Asia increased from 69.0% to 75.6%. On 2 June SEEK further increased its interest to 80.8%. The current ownership structure of SEEK Asia is as follows:

Investor	Ownership in SEEK Asia
SEEK Limited	80.8%
<i>Non-controlling interests</i>	
Windfyr Pty Ltd (News Corp)	12.9%
Macquarie Capital	3.3%
Tiger Global	3.0%
Total non-controlling interests	19.2%

The change in ownership in SEEK Asia has resulted in a movement of \$29.9m in the transactions with non-controlling interests reserve and a decrease in non-controlling interests of \$44.8m, which partly offset the \$100.1m increase in non-controlling interests due to co-investor contributions.

(ii) OCC

On 2 June 2015, SEEK's interest in OCC increased from 56.4% to 98.2%. The change in ownership in OCC has resulted in a movement of \$32.6m in the transactions with non-controlling interests reserve and a decrease in non-controlling interests of \$78.1m.

20. Dividends

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

	Payment date	Amount per share	Franked amount per share	Total dividend \$m
Financial Year 2014				
2013 final dividend	16 October 2013	12.0 cents	12.0 cents	\$40.7
2014 interim dividend	30 April 2014	14.0 cents	14.0 cents	\$47.7
Total dividends paid for the year ended 30 June 2014				\$88.4
Financial Year 2015				
2014 final dividend	17 October 2014	16.0 cents	16.0 cents	\$54.8
2015 interim dividend	21 April 2015	19.0 cents	19.0 cents	\$65.4
Total dividends paid for the year ended 30 June 2015				\$120.2

Dividends paid or declared by the Company after the year end (to be paid out of retained profits at 30 June 2015):

2015 final dividend	16 October 2015	17.0 cents	17.0 cents	\$58.5
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The 2015 final dividend will be franked out of franking credits arising from the balance of the franking account as at the year end and the payment of income tax subsequent to the year ended 30 June 2015. At 30 June 2015, all Australian controlled entities are included in the SEEK consolidated income tax group and therefore their franking credits are fully available for distribution to shareholders of SEEK Limited.

The balance of the franking account at 30 June 2015, adjusted for franking credits that will arise from the payment of the current tax liability, is \$99.0m (2014: \$120.2m) based on a tax rate of 30% (2014: 30%). The dividend payment on 16 October 2015 will reduce the franking credits available by \$25.1m for the consolidated Group.

21. Business combinations

Critical accounting estimates and assumptions

Following the guidance in AASB 3: *Business Combinations*, the Group has made assumptions and estimates to determine the purchase price of businesses acquired as well as its allocation to acquired assets and liabilities.

The Group is required to determine the acquisition date fair value of the identifiable assets acquired, including intangible assets such as brands, customer relationships and liabilities assumed. The assumptions and estimates made by the Group have an impact on the asset and liability amounts recorded in the financial statements. In addition, the estimated useful lives of the acquired amortisable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Group's future profit or loss.

In step acquisitions where the Group obtains control over an entity by acquiring an additional interest in that entity, the Group's previously held equity interest is remeasured to fair value at the date the controlling interest is acquired and a gain or loss is recognised in the consolidated income statement. The Group has also adopted the fair value method in measuring non-controlling interests in recent step acquisitions. The determination of these fair values involves management's judgement and takes into consideration purchase price of the acquired controlling interest, other comparable transactions and trading comparables.

Accounting policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquired deferred tax assets recognised after the initial acquisition accounting will increase the Group's net profit after tax.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

On 20 November 2014, the Group through its majority owned subsidiary SEEKAsia Ltd ("SEEK Asia"), acquired 100% of the online employment businesses of JobStreet Corporation Berhad ("JCB") for total consideration of MYR 1,933.8m (A\$665.4m at the exchange rate on the date of the transaction).

The acquired business ("JobStreet") operates online employment markets in Malaysia, Singapore, Indonesia, the Philippines and Vietnam. This acquisition is a continuation of SEEK's expansion in the strategic and high growth Asian region.

Total consideration of MYR 1,933.8m (A\$665.4m) was funded as follows:

- SEEK's consideration of A\$421.4m, comprising of existing JCB equity of A\$127.3m and cash contribution of A\$294.1m funded primarily via SEEK's Group Debt Facilities;
- SEEK Asia co-investors (News Corp, Macquarie Capital and Tiger Global) collectively contributed A\$93.2m; and
- SEEK Asia debt funding of A\$150.8m, including bank debt of A\$139.6m and a working capital loan from SEEK Limited of A\$11.2m.

From the date of acquisition the Group has accounted for JobStreet as a controlled entity. Prior to this, JobStreet was accounted for within JCB as an associate (refer to note 24).

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21. Business combinations continued

Post-divestment of its online employment businesses, JCB remains a listed entity on the Bursa Malaysia Securities. Although SEEK retains 20.1% ownership in this listed entity, SEEK no longer has significant influence over JCB and its remaining businesses (refer to note 24). As a result SEEK accounts for its 20.1% investment in JCB as a non-current financial asset with changes in underlying fair value going through other comprehensive income in equity (refer to note 12b)).

(a) Purchase consideration

The total purchase consideration is detailed in the table below:

	Purchase consideration \$m
SEEK cash contribution	294.1
Existing JCB equity	127.3
SEEK Asia co-investor contribution	93.2
SEEK Asia accessed debt	150.8
Total purchase consideration	665.4

(b) Details of net assets and liabilities acquired

Initial accounting

The net identifiable assets acquired are still preliminary. In view of the recent timing of the transaction, the Group are currently finalising the allocation of the purchase price to acquired assets. In particular, the contingent liabilities and fair values assigned to intangible assets are still being assessed and subject to finalisation. The acquisition accounting will be finalised within 12 months of the acquisition date, in line with accounting standards.

	Notes	Revised preliminary fair value \$m	Preliminary fair value \$m
Cash and cash equivalents		24.1	24.1
Trade and other receivables		4.7	4.7
Plant and equipment		1.8	1.8
Intangible assets			
Brands and licences	13	81.6	-
Customer relationships	13	16.0	-
Computer software and website development	13	1.2	-
Deferred tax assets	7	2.2	2.2
Trade and other payables		(3.4)	(3.4)
Unearned income		(18.3)	(18.3)
Current tax liabilities		(1.8)	(1.8)
Current contingent liabilities	17	(2.1)	(1.3)
Non-current contingent liabilities	17	(4.5)	(4.4)
Current provisions		(2.2)	(2.2)
Non-current provisions		(0.3)	(0.3)
Deferred tax liabilities	7	(23.7)	-
Net identifiable assets acquired		75.3	1.1
Add: goodwill		590.1	663.9
Net assets acquired		665.4	665.0

The goodwill is attributable to JobStreet's strong position in its market and the high growth potential of that market. Goodwill is not deductible for tax purposes.

Acquired receivables

The fair value of trade and other receivables is \$4.7m and includes trade receivables with a fair value of \$3.0m. The gross contractual amount of trade receivables due is \$3.1m of which \$0.1m is expected to be uncollectible.

Acquired contingent liabilities

The Group has recognised \$6.6m as the fair value of contingent liabilities acquired as part of the business combination. This amount is management's best estimate based on a range of possible outcomes, and relates to tax and legal contingent liabilities.

(c) Fair value gain

The Group's previously held equity interest in JCB as an associate has been re-measured at the acquisition date fair value. Part of the fair value of SEEK's existing interest in the online employment businesses (JobStreet) has been offset against the purchase consideration (\$127.3m of the total fair value of \$128.6m), with the remaining \$1.3m received in cash.

The Group has also recycled amounts held in reserves in relation to this associate including foreign currency translation losses. The resulting net gain before tax of \$100.3m has been recognised in 'other income' in the consolidated income statement (refer to note 4).

	Notes	Gain on step acquisition \$m
Fair value of SEEK 20.1% interest in JobStreet		128.6
Fair value of SEEK 20.1% interest in remaining entities of JCB	12(b)	14.1
Less: carrying value of JCB as an associate		(41.9)
Less: foreign currency translation reserve loss recycled	19	(0.5)
Fair value gain on step acquisition (before tax)		100.3
Add: tax on reserve balances recycled		-
Fair value gain on step acquisition (after tax)	4	100.3

(d) Revenue and profit contribution

JobStreet contributed revenues of \$45.7m and net profit of \$10.8m before non-controlling interests to the SEEK Group for the period from 20 November 2014 to 30 June 2015. If the acquisition had occurred on 1 July 2014, the contribution to consolidated revenue and consolidated profit before non-controlling interests of the SEEK Group for the current period would have been \$70.7m and \$18.1m respectively, offset by a reduction in the share of net loss from equity accounted investments (JCB) of \$0.9m.

These amounts have been calculated using the Group's accounting policies and by adjusting the results of JobStreet to reflect the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 July 2014, together with any tax effects.

(e) Year end

The statutory reporting entities within JobStreet previously had a 31 December year end. The process to align the statutory year end of these entities to 30 June is currently in progress. For group reporting purposes, the financial year end has been aligned to that of the SEEK Group.

(f) Acquisition related costs

Acquisition related costs of \$14.0m have been recognised in the consolidated income statement in 'operations and administration' expenses in FY2015. Further, \$2.2m of transaction costs were expensed in the year ended 30 June 2014.

22. Discontinued operation

Accounting policy

A discontinued operation is a component of the consolidated entity's business that represents a separate line of business operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the period.

On 7 November 2013, SEEK Limited and Laureate Education, Inc. entered into a share sale agreement for Laureate to acquire the remaining 80% of THINK Education Group. SEEK ceased to have control of THINK after 30 November 2013, on the basis that SEEK no longer had the power to direct activities that affected returns from that date. Cash settlement was received on 20 December 2013. The sale of THINK represented a strategic decision which allowed management to focus on its key online employment and online education businesses.

In addition to the consideration, \$8.0m previously held in escrow and a further \$4.0m were paid on 19 December 2014 and 2 January 2015 respectively, for exceeding expected enrolments made by SEEK Learning in THINK courses. In accordance with AASB 118: *Revenue Recognition*, \$4.0m revenue has been recognised at 30 June 2015 (2014: \$8.0m) based on the proportion of SEEK Learning enrolments in THINK courses.

Notes to the Financial Statements

for the year ended 30 June 2015

23. Interests in controlled entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2015 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights of the Group except for Zhaopin with voting rights of 75.3%⁽³⁾. The consolidated financial statements incorporate the assets, liabilities and results of the following consolidated entities in accordance with the accounting policy described in note 33(b):

Name of entity	Country of incorporation
SEEK NZ Limited	New Zealand
SEEK Learning Pty Ltd ⁽¹⁾	Australia
SEEK International Investments II Cooperatie U.A. ⁽²⁾	Netherlands
Online Career Centre Mexico, S.A.P.I de CV (together with its consolidated subsidiaries, "OCC")	Mexico
Brasil Online Holdings Cooperatief U.A. ⁽²⁾ (together with its consolidated subsidiaries, "Brasil Online")	Netherlands
Catho Online, Ltda.	Brazil
Manager Online Servicos de Internet, Ltda.	Brazil
SEEK International Investments Pty Ltd ⁽¹⁾	Australia
SEEKAsia Ltd (together with its consolidated subsidiaries, "SEEK Asia")	Cayman Islands
Jobs DB Inc	British Virgin Islands
Jobs DB Hong Kong Limited	Hong Kong
Jobs DB Singapore Pte Limited	Singapore
Jobs DB Recruitment (Thailand) Limited	Thailand
Jobs DB Malaysia Sdn. Bhd.	Malaysia
PT Jobs DB Indonesia	Indonesia
Jobs DB Philippines Inc.	Philippines
SEEK Asia Investments Pte. Ltd.	Singapore
88 Karat Sdn. Bhd.	Malaysia
JobStreet.com Pte Ltd	Singapore
JobStreet.com Sdn. Bhd	Malaysia
Agensi Perkerjaan JS Staffing Services Sdn. Bhd	Malaysia
JobStreet.com Philippines, Inc	Philippines
PT. JobStreet Indonesia	Indonesia
JobStreet Company Limited	Vietnam
Zhaopin Limited ⁽³⁾⁽⁵⁾ (together with its consolidated subsidiaries, "Zhaopin")	Cayman Islands
Beijing Wangpin Consulting Co., Ltd	P.R. China
深圳市希捷尔人力资源有限公司 (Shenzhen Xijier Human Resources Co., Ltd) [CJOL]	P.R. China

- All wholly-owned Australian subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further details refer to note 26.
- These are Cooperative entities in the Netherlands; SEEK's investment is in the form of a Member Contribution, rather than shares.
- As at 30 June 2015, SEEK has an undiluted interest of 63.2% in Zhaopin Ltd with voting rights of 75.3%. The share capital of Zhaopin Ltd comprises Class A and Class B shares, with Class A shares entitled to one vote and Class B shares entitled to four votes. SEEK holds Class B ordinary shares, resulting in voting rights that are not in proportion to share ownership.
- The Group has fully consolidated these entities, along with Jobs DB Assets (Thailand) Limited, Jobs DB Prestige Inc. and PT Prestige Indonesia, because the Group (via Jobs DB Inc or SEEK Asia Investments Pte Ltd) has the ability to control their financial and operating policies despite not holding a majority of equity as required by local regulations.
- Special purpose entities (SPE): Since February 2013 the Group has fully consolidated the following entities because Zhaopin Limited has the ability to control their financial and operating policies despite not holding a direct ownership: Beijing Zhilian Sanke Human Resources Service Co. Ltd, Fuzhou Zhilian Advertising Co. Ltd., Harbin Zhilian Wangcai Advertising Co. Ltd., Xiamen Zhilian Wangpin Commercial Service Co. Ltd., Wuhan Zhilian Rencai Advertising Co. Ltd., Shenyang Zhilian Wangpin Advertising Co. Ltd., Shenyang Zhilian Recruitment Service Co. Ltd., Dalian Zhilian Advertising Co. Ltd., Hangzhou Wangpin Advertising Co. Ltd and Guangzhou Houbo Information Technology Co. Ltd. Sichuan Zhilian Advertising Co. Ltd. and Tianjin Zhilian Advertising Co. Ltd. were closed during FY2015. Through existing contractual agreements, the Group is able to exercise effective control over the SPEs and receive substantially all of the economic benefits and residual returns as if it were the sole shareholder.

Principal activities	Equity holding 2015 %	Equity holding 2014 %
Provides online employment advertising services in New Zealand	100	100
Online sales and marketing distribution channel focused on education and training	100	100
Holding company	100	100
Provides online employment advertising services in Mexico	98.2	56.4
Holding company	51	51
Provides online employment advertising services in Brazil	100	100
Provides online employment advertising services in Brazil	100	100
Holding company	100	100
Holding company	80.8	69
Holding company	100	100
Provides online employment advertising services in Hong Kong	100	100
Provides online employment advertising services in Singapore	100	100
Provides online employment advertising services in Thailand	100	100
Provides online employment advertising services in Malaysia	49 ⁽⁴⁾	49 ⁽⁴⁾
Provides online employment advertising services in Indonesia	90	90
Provides online employment advertising services in the Philippines	100	100
Holding company	100	-
Holding company	49 ⁽⁴⁾	-
Provides online employment advertising services in Singapore	100	-
Provides online employment advertising services in Malaysia	49 ⁽⁴⁾	-
Provides online employment advertising services in Malaysia	49 ⁽⁴⁾	-
Provides online employment advertising services in the Philippines	100	-
Provides online employment advertising services in Indonesia	100	-
Provides online employment advertising services in Vietnam	100	-
Holding company	63.2	68.3
Provides online employment advertising services in China	90	90
Provides online employment advertising services in China	75.6	75.6

Notes to the Financial Statements

for the year ended 30 June 2015

23. Interests in controlled entities continued

(b) Summarised financial information for subsidiaries with non-controlling interests

	Brasil Online \$m	OCC \$m	SEEK Asia \$m	Zhaopin \$m	Other individually immaterial subsidiaries \$m	Total \$m
For the year ended 30 June 2015						
Non-controlling interests percentage						
Non-current assets	49%	1.8%	19.2%	36.8%		
Current assets	349.8	173.0	1,140.8	758.8		
Non-current liabilities	35.4	22.6	75.1	398.8		
Current liabilities	(38.0)	(8.2)	(142.5)	(75.8)		
Net assets	(18.4)	(13.6)	(101.2)	(239.8)		
Net assets attributable to non-controlling interests	328.8	173.8	972.2	842.0		
Net assets attributable to vested share options ⁽¹⁾	161.1	3.2	187.0	284.0		
Carrying amount of non-controlling interests	-	0.5	-	30.2		
	161.1	3.7	187.0	314.2	0.6	666.6
Revenue	119.3	24.5	104.7	252.8		
Profit	33.4	4.4	3.9	47.5		
Other comprehensive income	(46.8)	1.6	101.5	149.8		
Total comprehensive income	(13.4)	6.0	105.4	197.3		
Profit allocated to non-controlling interests	16.4	1.2	(0.1)	16.3	0.2	34.0
Other comprehensive income allocated to non-controlling interests	(22.9)	2.7	31.3	57.8	-	68.9
Cashflows from operating activities	31.9	7.7	50.4	95.5		
Cashflows from investing activities	(4.3)	(2.0)	(688.7)	(6.8)		
Cashflows from financing activities	(20.7)	(2.1)	631.6	3.1		
Net increase / (decrease) in cash and cash equivalents	6.9	3.6	(6.7)	91.8		
Dividends paid to non-controlling interests	12.1	3.7	8.9	-	-	24.7

1. The non-controlling interest reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

	Brasil Online \$m	OCC \$m	SEEK Asia \$m	Zhaopin \$m	Discontinued operations - THINK \$m	Other individually immaterial subsidiaries \$m	Total \$m
For the year ended 30 June 2014							
Non-controlling interests percentage							
Non-current assets	49%	43.6%	31%	31.7%	0%		
Current assets	399.7	171.2	340.7	644.5	-		
Non-current liabilities	33.0	16.8	47.2	218.7	-		
Current liabilities	(41.6)	(8.4)	(9.5)	(84.8)	-		
	(24.0)	(9.9)	(26.9)	(162.7)	-		
Net assets	367.1	169.7	351.5	615.7	-		
Net assets attributable to non-controlling interests	179.9	73.4	109.1	164.7	-		
Net assets attributable to vested share options ⁽¹⁾	-	1.8	-	37.5	-		
Carrying amount of non-controlling interests	179.9	75.2	109.1	202.2	-	(0.2)	566.2
Revenue	118.8	22.3	59.4	183.9	43.1		
Profit	28.6	4.6	15.6	31.4	25.0		
Other comprehensive income	6.9	6.0	16.8	15.0	-		
Total comprehensive income	35.5	10.6	32.4	46.4	25.0		
Profit allocated to non-controlling interests	14.0	2.0	4.8	6.7	0.3		27.8
Other comprehensive income allocated to non-controlling interests	3.4	2.6	5.2	(2.2)	-		9.0
Cashflows from operating activities	32.4	5.6	22.0	70.8	4.5		
Cashflows from investing activities	(3.1)	(0.7)	11.9	(24.9)	(3.3)		
Cashflows from financing activities	(43.0)	(5.0)	(29.3)	62.3	-		
Net increase / (decrease) in cash and cash equivalents	(13.7)	(0.1)	4.6	108.2	1.2		
Dividends paid to non-controlling interests	21.3	2.1	-	5.2	-	1.1	29.7

1. The non-controlling interest reserve includes the fair value of unexercised share options of the subsidiary that were vested at the date the Group obtained a controlling interest.

Notes to the Financial Statements

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24. Interests in equity accounted investments

Critical judgements in applying the entity's accounting policies

(i) Significant influence over associates

The Group follows the guidance in AASB 128: *Investments in Associates and Joint Ventures* to determine its level of control and influence over its investments in associates. This determination can require judgement particularly around voting rights and participation in the financial and operating activities of the investee. If the Group's influence increased such that the Group has the power to govern the financial and operating activities of the associate, then its results would have to be fully consolidated. Conversely, if the Group's influence reduced and the Group did not have the power to participate in the financial and operating activities of the associate then it would need to account for its interest in the associate as a financial asset.

The key judgemental areas are as follows:

IDP Education Pty Ltd (IDP)

The Group owns 50% of the voting rights in IDP. The Group does not have control over the investment as its voting rights and board seats are equal to its co-investors. The Group is required to equity account for IDP as an associate company due to the fact that the Group has significant influence over IDP.

JobStreet Corporation Berhad (JCB)

At 30 June 2015, SEEK has 20.1% ownership interest in this listed entity. However as a consequence of the business combination described in note 21, on 20 November 2014 management determined that there no longer existed sufficient evidence of significant influence to support accounting for this investment as an associate. As a result, from 20 November 2014, SEEK accounts for its 20.1% interest in JCB as a non-current financial asset.

(ii) Impairment of the investment in associates

The Group has not impaired any of its investments in associates, a decision which requires significant estimates and judgements. As required by current Accounting Standards, the Group has evaluated, among other factors, the financial health of and business outlook for its associates and assessed the carrying value of its investments against current estimated fair value. Where an impairment indicator exists due to the current economic climate an impairment test has been performed. This has resulted in no impairment write downs being required in the current financial period.

(a) Material interests in associates and joint ventures

Set out below are the associates and joint arrangements of the Group as at 30 June 2015 which, in the opinion of the directors, are material to the Group.

Associates	Country of Incorporation	Ownership interest %		Principal activities
		2015	2014	
IDP Education Pty Ltd (IDP)	Australia	50.0	50.0	Provides services for international students wishing to study in Australian educational institutions and also provides International English Language Testing (IELTS)
JobStreet Corporation Berhad (JCB)	Malaysia	(i)	20.0	Provider of online employment websites in Asia
One Africa Media (Pty) Ltd (OAM) (formerly Private Property Holdings Pty Ltd) (ii)	South Africa	27.5	24.4	Owns, operates and invests in a portfolio of African market leading online marketplaces in the segments of jobs, cars, real estate and travel
Joint ventures				
Online Education Services Ltd (Swinburne Online)	Australia	50.0	50.0	A joint venture entity between SEEK and Swinburne University of Technology to deliver online learning to students
Babajob Services Private Ltd (Babajob) (iii)	India	46.2	n/a	Provider of online and mobile employment marketplaces across India.

(i) JobStreet Corporation Berhad (JCB)

As explained above, within 'Critical judgements', from 20 November 2014 SEEK has accounted for its 20.1% interest in JCB as a non-current financial asset.

(ii) One Africa Media (OAM)

On 15 April 2015, SEEK entered into a share subscription agreement to make an additional US\$10.0m investment in OAM (in two tranches of US\$5m each). Tranche 1 of US\$5.0m (\$6.4m at the exchange rate on the date of the transaction) was settled in April 2015 taking SEEK's ownership in OAM to 27.5%. Tranche 2 of US\$5.0m is subject to certain conditions which management expects to be fulfilled in the first half of FY2016. On settlement of Tranche 2, SEEK's ownership in OAM will increase to 30.0%.

(iii) Acquisition of a minority stake in Babajob Services Private Ltd (Babajob)

On 17 April 2015, SEEK acquired a fully diluted 38.0% equity interest in Babajob (46.2% undiluted) for US\$10.0m (A\$12.8m at the exchange rate on the date of the transaction). Babajob is India's first web and mobile start-up dedicated to bringing better job opportunities to aspiring workers across the country. India is a large addressable market with favourable structural trends such as the rise of internet penetration, urbanisation and a growing labour force.

(iv) Quoted fair value

All associates and joint ventures held at 30 June 2015 are privately owned and do not have a published share price.

(b) Summarised financial information

(i) Summarised financial information recognised by SEEK

For the year ended 30 June 2015	Share of net profits/(losses) \$m	Dilution of investment \$m	Total recognised in profit and loss \$m	Dividends received \$m	Carrying amount \$m
Associates					
IDP	15.7	-	15.7	19.5	68.3
JCB ⁽¹⁾	(0.9)	-	(0.9)	2.8	-
OAM	(2.8)	-	(2.8)	-	23.1
Other immaterial associates	-	-	-	0.1	15.1
Joint ventures					
Swinburne Online	10.0	-	10.0	6.6	12.9
Babajob	(0.3)	-	(0.3)	-	13.0
Total associates and joint ventures	21.7	-	21.7	29.0	132.4

For the year ended 30 June 2014	Share of net profits/(losses) \$m	Dilution of investment \$m	Total recognised in profit and loss \$m	Dividends received \$m	Carrying amount \$m
Associates					
IDP	14.0	-	14.0	16.5	71.0
JCB ⁽²⁾	4.5	(4.9)	(0.4)	2.5	46.1
OAM	(0.7)	(0.5)	(1.2)	-	17.5
Other immaterial associates	(0.1)	-	(0.1)	-	9.1
Joint ventures					
Swinburne Online	6.4	-	6.4	1.1	9.4
Babajob	-	-	-	-	-
Total associates and joint ventures	24.1	(5.4)	18.7	20.1	153.1

1. Results included as JCB was equity accounted until 19 November 2014.

2. Includes \$4.1m relating to the dilution impact of share issuances by JCB to acquire 100% ownership interests in certain joint ventures prior to their divestment in the transaction with SEEKAsia Ltd.

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24. Interests in equity accounted investments continued

(ii) Summarised financial information in respect of associates

	IDP		OAM		JCB ⁽¹⁾	
	2015 \$m	2014 \$m	2015 \$m	2014 \$m	2015 \$m	2014 \$m
Summarised balance sheet						
Current assets	97.6	86.9	9.2	11.3	-	53.7
Non-current assets	68.8	60.1	16.3	13.5	-	51.9
Current liabilities	(66.1)	(47.8)	(5.9)	(2.6)	-	(22.1)
Non-current liabilities	(8.9)	(2.5)	-	-	-	-
Net assets	91.4	96.7	19.6	22.2	-	83.5
Group interest						
Group's share in %	50.0%	50.0%	27.5%	24.4%	0.0%	20.0%
Group's share in \$	45.7	48.3	5.4	5.4	-	16.7
Goodwill	16.8	16.8	17.7	12.6	-	18.7
Other intangibles	6.5	6.5	-	-	-	7.8
Adjustment to update Group's share of net assets to estimated amount for 30 June 2014	-	-	-	-	-	1.0
Other adjustments	(0.7)	(0.6)	-	(0.5)	-	1.9
Carrying amount	68.3	71.0	23.1	17.5	-	46.1

	IDP		OAM		JCB ⁽¹⁾	
	2015 \$m	2014 \$m	2015 \$m	2014 \$m	2015 \$m	2014 \$m
Summarised statement of comprehensive income						
Revenue	309.8	256.8	10.1	7.7	26.3	45.4
Profit/(loss) for the period	31.5	28.0	(11.3)	(2.5)	(4.0)	15.4
Other comprehensive income	(2.2)	1.8	2.7	3.5	(1.7)	(7.1)
Total comprehensive income	29.3	29.8	(8.6)	1.0	(5.7)	8.3

1. JCB is listed in Malaysia and releases its results quarterly. As JCB was due to release its April to June 2014 quarter results after the date of publication of the SEEK financial statements, the JCB net assets for 30 June 2014 represented in the SEEK financial statements comprised the actual released net assets for 31 March 2014 and SEEK's internal estimate for the result for the April 2014 to June 2014 quarter. The JCB result for 2014 presented in the SEEK financial statements comprises the actual released results for July 2013 to March 2014.

Individually immaterial associates

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	2015 \$m	2014 \$m
Aggregate carrying amount of individually immaterial associates	15.1	9.1
Aggregate amounts of the Group's share of:		
Losses from continuing operations	-	(0.1)
Other comprehensive income	(1.2)	-
Total comprehensive income	(1.2)	(0.1)

(ii) Summarised financial information in respect of joint ventures

	Swinburne Online		Babajob	
	2015 \$m	2014 \$m	2015 \$m	2014 \$m
Summarised balance sheet				
Current assets	37.6	32.3	12.3	-
Non-current assets	3.8	1.9	-	-
Current liabilities	(15.3)	(15.2)	(0.1)	-
Non-current liabilities	(0.4)	(0.1)	-	-
Net assets	25.7	18.9	12.2	-
<i>Assets and liabilities above include:</i>				
Cash and cash equivalents	37.3	31.7	0.4	-
Current financial liabilities (excluding trade and other payables and provisions)	(8.5)	(9.1)	(0.1)	-
Group interest				
Group's share in %	50.0%	50.0%	46.2%	0.0%
Group's share in \$	12.9	9.4	5.7	-
Goodwill	-	-	7.3	-
Carrying amount	12.9	9.4	13.0	-
	Swinburne Online		Babajob	
	2015 \$m	2014 \$m	2015 \$m	2014 \$m
Summarised statement of comprehensive income				
Revenue	78.7	53.5	0.1	-
Interest income	0.7	0.6	-	-
Other operating costs	(49.8)	(33.9)	(0.8)	-
Depreciation and amortisation	(0.8)	(0.5)	-	-
Income tax expense	(8.6)	(5.9)	-	-
Profit for the period	20.2	13.8	(0.7)	-
Other comprehensive income	-	-	0.3	-
Total comprehensive income	20.2	13.8	(0.4)	-

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25. Deed of cross guarantee

The following controlled entities have entered into a Deed of Cross Guarantee:

Company	Financial year entered into agreement
SEEK Limited	30 June 2006
SEEK Learning Pty Ltd	30 June 2006
SEEK Campus Pty Ltd	30 June 2006
SEEK Commercial Pty Ltd	30 June 2007
SEEK Investments Pty Ltd	30 June 2007
SEEK International Investments Pty Ltd	30 June 2007
Job Seeker Pty Ltd	30 June 2014
HS Holdco Pty Ltd	30 June 2015

The companies that are party to this deed guarantee the debts of the others and represent the "Closed Group" from the date of entering into the agreement.

These wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

Entities removed from the Deed of Cross Guarantee Group during FY2015

On 23 June 2014, Dynamic Web Training Pty Ltd (DWT) was sold. As such, DWT has exited the SEEK Limited "Closed Group".

(a) Income statement, other comprehensive income and a summary of movements in consolidated retained profits

Since there are no other parties to the Deed of Cross Guarantee that are controlled by SEEK Limited the companies detailed on the preceding page also represent the "Extended Closed Group".

Statement of comprehensive income	2015 \$m	2014 \$m
Income statement		
Revenue from continuing operations	371.6	353.6
Other income	100.3	-
Operating expenses		
Direct cost of services	(3.9)	(4.8)
Sales and marketing	(87.5)	(66.5)
Business development	(43.6)	(30.5)
Operations and administration	(34.7)	(49.6)
Finance costs	(22.2)	(23.2)
Total operating expenses	(191.9)	(174.6)
Share of results of equity accounted investments	21.4	18.6
Profit before income tax expense from continuing operations	301.4	197.6
Income tax expense	(40.0)	(36.6)
Profit from continuing operations	261.4	161.0
Profit from discontinued operation ⁽¹⁾	-	59.1
Profit for the year	261.4	220.1
Other comprehensive income		
Exchange differences on translation of foreign associates	0.8	(4.7)
(Losses)/gains on hedge contracts of controlled entities	(61.9)	6.5
Gains/(losses) on hedge contracts of associates (net of tax)	1.6	(1.0)
Change in fair value of financial assets	4.9	-
Income tax relating to other comprehensive income	2.9	15.3
Other comprehensive income for the year	(51.7)	16.1
Total comprehensive income for the year	209.7	236.2
Summary of movements in consolidated retained profits		
Retained profits at 1 July	410.0	274.1
Profit for the year	261.4	220.1
Tax credited directly to retained profits - share-based payments	10.6	4.2
Dividends paid	(120.2)	(88.4)
Retained profits at 30 June	561.8	410.0

1. This represents the parent company's gain on sale of THINK which forms part of the Group's gain on sale (refer to note 22).

Notes to the Financial Statements

for the year ended 30 June 2015

25. Deed of cross guarantee continued

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2015 of the Closed Group.

Consolidated balance sheet	2015 \$m	2014 \$m
Current assets		
Cash and cash equivalents	29.0	65.8
Trade and other receivables	53.5	56.6
Other financial assets	13.2	1.8
Current tax assets	8.7	-
Total current assets	104.4	124.2
Non-current assets		
Investments in controlled entities	1,281.7	678.9
Investments accounted for using the equity method	125.2	147.4
Plant and equipment	7.3	6.1
Intangible assets	63.7	39.8
Other financial assets	19.0	-
Deferred tax assets	4.9	22.6
Loans with controlled entities	1.4	1.9
Total non-current assets	1,503.2	896.7
Total assets	1,607.6	1,020.9
Current liabilities		
Trade and other payables	29.9	22.6
Current borrowings	153.0	-
Unearned income	19.7	15.7
Other financial liabilities	9.2	6.8
Current tax liabilities	-	6.6
Current provisions	10.3	8.2
Total current liabilities	222.1	59.9
Non-current liabilities		
Non-current borrowings	634.5	329.9
Deferred tax liabilities	0.4	0.4
Non-current provisions	1.5	1.6
Total non-current liabilities	636.4	331.9
Total liabilities	858.5	391.8
Net assets	749.1	629.1
Equity		
Contributed equity	222.9	203.7
Reserves	(35.6)	15.4
Retained profits	561.8	410.0
Total equity	749.1	629.1

26. Parent entity financial information

Accounting policy

The financial information for the parent entity, SEEK Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of SEEK Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established, rather than being deducted from the carrying amount of these investments.

(ii) Income tax consolidation legislation

SEEK Limited and its wholly-owned Australian entities have elected to form an income tax consolidated group.

SEEK Limited (as the head entity) and its wholly-owned Australian entities (as members of the SEEK income tax consolidated group) account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the income tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, SEEK Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from its wholly-owned entities in the income tax consolidated group.

The entities have also entered into a tax funding agreement under which they fully compensate SEEK Limited for any current tax payable assumed and are compensated by SEEK Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SEEK Limited under the income tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. Assets or liabilities arising under the tax funding agreement with the income tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) entities within the SEEK income tax consolidated group.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2015 \$m	2014 \$m
Balance sheet		
Current assets	92.7	99.7
Total assets	1,226.2	807.8
Current liabilities	(177.1)	(32.6)
Total liabilities	(826.0)	(370.2)
Net assets	400.2	437.6
Equity		
Issued capital	222.9	203.7
Reserves		
Cash flow hedge reserve	6.3	(0.4)
Net investment hedge reserve	(73.4)	(12.5)
Share-based payments reserve	40.0	37.5
Transactions with non-controlling interests	(3.6)	(3.6)
Retained earnings	208.0	212.9
	400.2	437.6
Profit or loss for the year	104.6	150.9
Total comprehensive income	50.7	155.3

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for the year ended 30 June 2015

(b) Guarantees entered into by the parent entity

The parent entity has given unsecured guarantees along with its Australian subsidiaries in respect of the syndicated loan facility of A\$465.0m and US\$273.0m of which A\$788.9m has been drawn down at 30 June 2015. Refer to note 15.

In addition, there are cross guarantees given by SEEK Limited, as described in note 25. No deficiencies of assets exist in any of these entities. The parent entity has further provided a guarantee in respect of obligations for rental commitments, as described in note 28.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 (2014: nil).

(d) Contractual commitments

As at 30 June 2015, the parent entity had contractual commitments for minimum lease payments in relation to non-cancellable operating leases totalling \$17.8m (2014: \$10.7m). Other commitments for the payment of IT services, advertising and promotions under long-term contracts in existence totalled \$4.7m (2014: \$1.3m).

27. Contingent liabilities

At 30 June 2015, the Group has unrecognised contingent liabilities relating to Brasil Online of \$5.0m (2014: \$4.0m). Refer to note 17(c) for further details.

There are no other contingent liabilities.

28. Commitments for expenditure

(a) Lease commitments

Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2015	2014
		\$m
Within one year	20.6	14.6
Later than one year but not later than five years	43.5	32.6
More than five years	-	0.5
Total	64.1	47.7

The Group leases various offices under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are negotiated.

(b) Other commitments

Commitments for the payment of IT services, advertising and promotions under long-term contracts in existence at the reporting date but not recognised as liabilities payable are as follows:

	2015	2014
	\$m	\$m
Within one year	9.2	8.6
Later than one year but not later than five years	4.7	7.6
Total	13.9	16.2

29. Events occurring after the balance sheet date

Extension of syndicated debt facility

On 20 August 2015, the Group extended its syndicated debt facility by 18 months. Updated key features of the revolving, unsecured, syndicated senior debt facility are as follows:

- Tranche A: A\$183m, expiring August 2017
- Tranche B: A\$335m, expiring August 2018
- Tranche C: US\$273m, expiring August 2019

This extension was strongly supported by the existing members of the syndicate, being National Australia Bank, Westpac Banking Corporation, ANZ, Commonwealth Bank, HSBC, United Overseas Bank, Sumitomo Mitsui Banking Corporation and Bank of Tokyo-Mitsubishi UFJ. Reflecting SEEK's business model strength and improving funding conditions there has been a significant improvement in term and conditions of the facility.

30. Share-based payments

Accounting Policy

Share-based compensation benefits are provided to employees via Performance rights and LTI options. Information relating to these schemes is set out in the Remuneration Report.

The fair value of equity-settled rights and options granted under the plans is recognised as an employee benefit expense over the period during which the employees become unconditionally entitled to the rights and options with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in the consolidated income statement, with a corresponding adjustment to equity.

The fair value is measured at grant date and the expense recognised over the life of the plan. The fair value of options is independently determined using a Black-Scholes or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were \$18.7m (2014: \$18.1m) including:

- Equity settled share-based payment plans:
 - Performance Rights and Options Plans - SEEK Limited \$7.8m
 - Share option plans in International subsidiaries \$7.0m
- Cash settled share-based payment plans \$0.9m

Performance Rights and Options Plans - SEEK Limited

For details of Performance Rights and Options Plans refer to the Remuneration Report contained in the Directors' Report.

Performance right plan

Under the Performance Right Plan, participants are issued one performance right, valued at a maximum of 20% base salary (for senior management) or 25% of Total Remuneration (for executives). Expense for the FY2015 performance rights is included within the expense for the Performance Rights and Options Plans. Details of the grant of performance rights can be found in the Performance Rights and Options table below, and in the Remuneration Report.

Fair value of Options and Performance Rights

Refer to page 33 of the Remuneration Report contained within the Directors' Report, for details on the fair value of options and rights issued during the financial year.

Notes to the Financial Statements

for the year ended 30 June 2015

30. Share-based payments continued

The table below summarises the movement in the number of options in these plans during the year:

Grant date	Expiry date (years)	Exercise price	Number of options or rights					Options/ rights vested and exercisable at the end of the year
			Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Closing balance	
2015								
Executive Director Options								
21 November 2011 ⁽¹⁾	5	\$5.36	964,065	-	(964,065)	-	-	-
3 December 2012 ⁽¹⁾	5	\$7.43	1,085,526	-	-	-	1,085,526	-
4 December 2013 ⁽¹⁾	5	\$10.38	672,348	-	-	-	672,348	-
12 December 2014 ⁽¹⁾	5	\$19.04	-	514,285	-	-	514,285	-
Total Executive Director Options			2,721,939	514,285	(964,065)	-	2,272,159	-
Options Plans								
1 July 2010	5	\$7.39	641,180	-	(641,180)	-	-	-
1 September 2011	5	\$5.36	1,729,804	-	(1,729,804)	-	-	-
7 September 2012	5	\$7.43	2,129,277	-	-	-	2,129,277	-
6 September 2013	5	\$10.38	1,489,248	-	-	-	1,489,248	-
6 August 2014	5	\$19.04	-	1,033,160	-	(329,831)	703,329	-
Total Options			5,989,509	1,033,160	(2,370,984)	(329,831)	4,321,854	-
Performance Right Plans								
6 September 2013	2	\$0.00	35	-	(35)	-	-	-
6 September 2013	2.5	\$0.00	8	-	(8)	-	-	-
4 December 2013	2.5	\$0.00	1	-	(1)	-	-	-
6 August 2014	2	\$0.00	-	47	-	(2)	45	-
6 August 2014	2.5	\$0.00	-	7	-	-	7	-
12 December 2014	2.5	\$0.00	-	1	-	-	1	-
Total Performance Rights			44	55	(44)	(2)	53	-
Total All Plans			8,711,492	1,547,500	(3,335,093)	(329,833)	6,594,066	-
Weighted average exercise price			\$7.52	\$19.04	\$5.75	\$19.04	\$10.54	\$0.00

1. Approved and granted at AGM

2014

Number of options or rights

Grant date	Expiry date (years)	Exercise price	Opening balance	Granted during the year	Exercised during the year	Forfeited during the year	Closing balance	Options/ rights vested and exercisable at the end of the year
Executive Director Options								
6 November 2008	5	\$5.29	471,011	-	(471,011)	-	-	-
21 November 2011 ⁽¹⁾	4	\$6.80	1,156,069	-	(1,156,069)	-	-	-
21 November 2011 ⁽¹⁾	5	\$5.36	964,065	-	-	-	964,065	-
3 December 2012 ⁽¹⁾	5	\$7.43	1,085,526	-	-	-	1,085,526	-
4 December 2013 ⁽¹⁾	5	\$10.38	-	672,348	-	-	672,348	-
Total Executive Director Options			3,676,671	672,348	(1,627,080)	-	2,721,939	-
Options Plans								
30 July 2009	5	\$4.10	125,319	-	(125,319)	-	-	-
1 July 2010	5	\$7.39	1,308,860	-	(445,171)	(222,509)	641,180	641,180
1 September 2011	5	\$5.36	1,843,625	-	-	(113,821)	1,729,804	-
7 September 2012	5	\$7.43	2,320,066	-	-	(190,789)	2,129,277	-
6 September 2013	5	\$10.38	-	1,489,248	-	-	1,489,248	-
Total Options			5,597,870	1,489,248	(570,490)	(527,119)	5,989,509	641,180
Performance Right Plans								
3 December 2012	2	\$0.00	10	-	(10)	-	-	-
21 December 2012	2	\$0.00	22	-	(20)	(2)	-	-
6 September 2013	2	\$0.00	-	37	-	(2)	35	-
6 September 2013	2.5	\$0.00	-	8	-	-	8	-
4 December 2013 ⁽¹⁾	2.5	\$0.00	-	1	-	-	1	-
Total Performance Rights			32	46	(30)	(4)	44	-
Total All Plans			9,274,573	2,161,642	(2,197,600)	(527,123)	8,711,492	641,180
Weighted average exercise price			\$6.57	\$10.38	\$6.44	\$6.97	\$7.52	\$7.39

1. Approved and granted at AGM

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2015 was \$17.35 (2014: \$14.42).

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.20 years (2014: 2.85 years).

Share option plans in International subsidiaries

Expenses arising from share-based payments transactions – International subsidiaries

Total expenses arising from share-based payments transactions recognised in the Group consolidated financial statements during the year relating to International subsidiaries were \$7.9m (2014: \$10.5m).

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30. Share-based payments continued

Option Plans - Zhaopin

The table below summarises the movements in option plans held in SEEK's subsidiary Zhaopin in FY2015.

Options are held over class A ordinary shares in Zhaopin Ltd. During the IPO process in June 2014, American Depositary Shares (ADSs) in Zhaopin Ltd were listed on the New York Stock Exchange and each ADS represents 2 class A ordinary shares.

2015 - Zhaopin			Number of options						
Grant date	Expiry date (years)	Exercise price (US\$)	Opening balance	Granted during the year	Exercised during the year	Cancelled / Forfeited during the year	Expired during the year	Closing balance	Options vested and exercisable at the end of the year
Schemes issued prior to FY2014			15,311,315	-	(6,421,046)	(161,178)	(232,337)	8,496,754	6,735,200
31 March 2014	6	\$5.00	222,000	-	(6,400)	(79,600)	-	136,000	3,200
31 March 2014	6	\$4.00	1,314,820	-	-	(270,000)	-	1,044,820	-
31 March 2014	6	\$4.50	115,200	-	-	(46,200)	-	69,000	-
17 April 2014	6	\$6.75	80,000	-	-	-	-	80,000	6,400
2 June 2014	5	\$6.75	750,000	-	-	-	-	750,000	-
Balance at 30 June 2015			17,793,335	-	(6,427,446)	(556,978)	(232,337)	10,576,574	6,744,800
Weighted average exercise price			\$2.72	n/a	\$1.94	\$4.21	\$1.72	\$3.14	\$2.28

2014 - Zhaopin			Number of options						
Grant date	Expiry date (years)	Exercise price (US\$)	Opening balance	Granted during the year	Exercised during the year	Cancelled / Forfeited during the year	Expired during the year	Closing balance	Options vested and exercisable at the end of the year
Schemes issued prior to FY2014			23,475,594	-	(7,663,409)	(440,870)	(60,000)	15,311,315	12,136,489
31 March 2014	6	\$5.00	-	228,000	-	(6,000)	-	222,000	-
31 March 2014	6	\$4.00	-	1,374,820	-	(60,000)	-	1,314,820	-
31 March 2014	6	\$4.50	-	115,200	-	-	-	115,200	-
17 April 2014	6	\$6.75	-	80,000	-	-	-	80,000	-
2 June 2014	5	\$6.75	-	750,000	-	-	-	750,000	-
Balance at 30 June 2014			23,475,594	2,548,020	(7,663,409)	(506,870)	(60,000)	17,793,335	12,136,489
Weighted average exercise price			\$1.88	\$5.01	\$0.85	\$3.52	\$1.80	\$2.72	\$1.96

The weighted average remaining contractual life of share options outstanding at the end of the year was 3.61 years (2014: 2.03 years).

Option Plans - SEEK Asia

The table below summarises the movements in option plans held in SEEK's subsidiary SEEKAsia Ltd in FY2015.

2015 - SEEK Asia			Number of options						
Grant date	Expiry date (years)	Exercise price (US\$)	Opening balance	Granted during the year	Exercised during the year	Cancelled / Forfeited during the year	Expired during the year	Closing balance	Options vested and exercisable at the end of the year
20 November 2014	5	\$1.29	-	14,008,910	-	-	-	14,008,910	-
Balance at 30 June 2015			-	14,008,910	-	-	-	14,008,910	-
Weighted average exercise price			n/a	\$1.29	n/a	n/a	n/a	\$1.29	n/a

The weighted average remaining contractual life of share options outstanding at the end of the year was 4.39 years (2014: n/a).

Option Plans - OCC

The table below summarises the movements in option plans held in SEEK's subsidiary OCC in FY2015.

2015 - OCC			Number of options						Options vested and exercisable at the end of the year
Grant date	Expiry date (years)	Exercise price (US\$)	Opening balance	Granted during the year	Exercised during the year	Cancelled / Forfeited during the year	Expired during the year	Closing balance	
Schemes issued prior to FY2014			59,902	-	(48,942)	-	-	10,960	8,961
12 May 2014	10	\$145.00	4,758	-	(1,807)	-	-	2,951	-
Balance at 30 June 2015			64,660	-	(50,749)	-	-	13,911	8,961
Weighted average exercise price			\$100.19	n/a	\$95.55	n/a	n/a	\$117.14	\$101.85

2014 - OCC			Number of options						Options vested and exercisable at the end of the year
Grant date	Expiry date (years)	Exercise price (US\$)	Opening balance	Granted during the year	Exercised during the year	Cancelled / Forfeited during the year	Expired during the year	Closing balance	
Schemes issued prior to FY2014			65,103	-	-	(5,201)	-	59,902	49,851
12 May 2014	10	\$145.00	-	4,758	-	-	-	4,758	799
Balance at 30 June 2014			65,103	4,758	-	(5,201)	-	64,660	50,650
Weighted average exercise price			\$97.03	\$145.00	n/a	\$101.56	n/a	\$100.19	\$93.04

The weighted average remaining contractual life of share options outstanding at the end of the year was 6.45 years (2014: 6.86 years).

31. Related party transactions

(a) Interests in controlled entities

Interests in controlled entities are set out in note 23.

(b) Transactions with equity accounted investments

The following transactions occurred with equity accounted investments:

	2015 \$	2014 \$
Dividends and distributions received from equity accounted investments	29,018,388	20,145,630
Directors' fees and other personnel costs charged to equity accounted investments	250,533	232,563
Sales to equity accounted investments	6,734,583	7,045,004

(c) Transactions with key management personnel

	2015 \$	2014 \$
Short-term employee benefits	7,441,062	6,699,919
Post-employment benefits	285,742	245,509
Share-based employee benefits	8,409,852	6,318,771
Other long-term benefits	171,806	102,208
	16,308,462	13,366,407

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31. Related party transactions continued

(d) Transactions with other related parties

No other related parties have been identified other than those disclosed above.

Some of the Group's independent non-executive directors are also non-executive directors for other companies. SEEK Limited, from time to time, may provide or receive services from these companies on an arm's-length basis.

32. Remuneration of auditors

In FY2014 and FY2015 the parent entity and its subsidiaries were audited by PriceWaterhouseCoopers Australia and related practices of PriceWaterhouseCoopers Australia. During the year the following fees were paid for services provided by the auditor of the parent entity and its related practices:

	2015 \$	2014 \$
(a) PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial reports	690,000	1,052,750
Other assurance services:		
Due diligence services	162,625	773,500
Bank covenant, acquisition & statutory reporting	110,000	-
Total remuneration for audit and other assurance services	962,625	1,826,250
Taxation services		
Tax consulting - international	96,020	459,740
Tax consulting - domestic	45,040	295,482
Tax compliance	32,000	62,226
Total remuneration for taxation services	173,060	817,448
Total remuneration of PricewaterhouseCoopers Australia	1,135,685	2,643,698
(b) Related practices of PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of financial reports ⁽¹⁾	1,794,535	3,138,129
Other assurance services:		
Other non audit services	456,390	765,870
Total remuneration for audit and other assurance services	2,250,925	3,903,999
Taxation services		
Tax compliance services, including review of company income tax returns	23,180	101,834
Tax consulting	17,098	-
Total remuneration for taxation services	40,278	101,834
Total remuneration of related practices of PricewaterhouseCoopers Australia	2,291,203	4,005,833

1. Audit and review of financial reports in 2014 includes one-off fees of \$2.2m relating to Zhaopin US GAAP review (IPO requirements).

33. Other significant accounting policies

(a) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 21).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates and joint ventures

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

Joint ventures are all entities over which the Group has joint control with one or more other investors. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in joint ventures includes goodwill identified on acquisition.

Under the equity method, the Group's share of post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the investment, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its equity accounted investments are eliminated to the extent of the Group's interest in the investment. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of SEEK Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

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(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is SEEK Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Where foreign currency denominated borrowings have been designated as a hedge for accounting purposes and the hedge remains effective, exchange gains and losses are recorded in the net investment hedge reserve. Otherwise exchange gains and losses are presented in profit or loss, within "finance costs". All other foreign exchange gains and losses are presented in profit or loss on a net basis within other income or other expenses.

(iii) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(c) Goods and Services Tax (GST) and Valued Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST and VAT, unless the GST and VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST and VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included within "trade and other receivables" or "trade and other payables" in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST and VAT recoverable from, or payable to, the taxation authority.

(d) Impairment of assets

Assets other than goodwill and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

Notes to the Financial Statements

for the year ended 30 June 2015

33. Other significant accounting policies continued

(e) New and amended Accounting Standards and Interpretations

(i) New and amended Accounting Standards and Interpretations issued and effective

The Group has adopted the following new and amended Accounting Standards and Interpretations which were applicable as disclosed in the table below. Adoption of these new and amended Accounting Standards and Interpretations has not had a material impact on the Company or the Group.

Summary	Application date of standard	Application date for Group
AASB 2012-3 – <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014	1 July 2014
AASB 2012-3 adds application guidance to AASB 132 <i>Financial Instruments: Presentation</i> to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.		
<i>Annual Improvements 2010-2012 Cycle</i>	1 July 2014	1 July 2014
Amendments to clarify minor points in various accounting standards, including AASB 2, AASB 3, AASB 8, AASB 13, AASB 116, AASB 138 and AASB 124.		
AASB 1031 – <i>Materiality</i>	1 January 2014	1 July 2014
The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.		
AASB 9 – <i>Financial Instruments (2013)</i>	1 January 2018	1 July 2014
AASB 9 (2013) simplifies the model for classifying and recognising financial instruments and aligns hedge accounting more closely with common risk management practices. In addition, the hedge effectiveness testing requirements have changed.		

(ii) Accounting standards issued but not yet effective

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group’s interpretation of the impact of these new Standards is set out below:

Summary	Application date of standard	Application date for Group
AASB 9 – <i>Financial Instruments (2014)</i>	1 January 2018	1 July 2018
AASB 9’s new impairment model is a move away from AASB 139’s incurred credit loss approach to an expected credit loss model. Earlier recognition of impairment losses is likely to result. These changes are not expected to result in a material impact on the financial statements.		
AASB15 – <i>Revenue from contracts with customers</i>	1 January 2017	1 July 2017
The AASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Group has conducted an initial analysis of the potential impact on each line of business and product type. Detailed analysis, including quantification of the potential impact, is now being performed on the segments and products that are more likely to generate a material difference.		
<i>Disclosure Initiative: Amendments to AASB 101</i>	1 January 2016	1 July 2016
The amendments clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users.		
<i>Annual Improvements 2012-2014 Cycle</i>	1 January 2016	1 July 2016
Amendments to clarify minor points in various accounting standards, including AASB 5, AASB 7, AASB 119 and AASB 134. These changes are not expected to result in a material impact on the financial statements.		
AASB 2014-10 – <i>Sale or contribution of assets between an investor and its associate or JV</i>	1 January 2016	1 July 2016
The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting depends on whether the contributed assets constitute a business or an asset. These changes are not expected to result in a material impact on the financial statements.		

Directors' Declaration

In the directors' opinion:

- a. the financial statements and notes set out on pages 47 to 117 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- b. there are reasonable grounds to believe that SEEK Limited will be able to pay its debts as and when they become due and payable; and
- c. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 25.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Neil Chatfield
Chairman

Melbourne
29 September 2015



Independent auditor's report to the members of SEEK Limited

Report on the financial report

We have audited the accompanying financial report of SEEK Limited (the company), which comprises the consolidated balance sheet as at 30 June 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the SEEK Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent Auditor's Report



Auditor's opinion

In our opinion:

- (a) the financial report of SEEK Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 24 to 44 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of SEEK Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

The PricewaterhouseCoopers logo features a large, stylized signature of 'PricewaterhouseCoopers' in a cursive script, with the words 'PricewaterhouseCoopers' printed in a smaller, sans-serif font below it.

PricewaterhouseCoopers

A handwritten signature of John Yeoman in black ink, written over a white background.

John Yeoman
Partner

Melbourne
29 September 2015

Corporate Directory

Directors

Neil G Chatfield
Chairman

Andrew R Bassat
Managing Director and Chief Executive Officer

Colin B Carter
Denise I Bradley
Graham B Goldsmith
Julie A Fahey

Secretary

Moana Weir

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AUSTRALIA
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Share register

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452 Johnston Street
ABBOTSFORD VIC 3067
Ph: +61 3 9415 4000

Auditor

PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006

Stock exchange listing

SEEK Limited shares are listed on the Australian Stock Exchange (Listing code: SEK)

Zhaopin Limited American Depositary Shares are listed on the New York Stock Exchange (Listing code: ZPIN)

Website

www.seek.com.au

ABN

46 080 075 314

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seeklearning.com.au
seekvolunteer.com.au
seekcommercial.com.au
seek.co.nz

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jobstreet.com
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cjol.com
catho.com.br
manager.com.br
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